

executive session and then ask the Senate to take a recess until 12 o'clock tomorrow. We have no other business before the Senate than the pending bill, and we can easily dispose of it tomorrow; but two or three Senators have advised me that they desire to speak on it.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, this morning I asked unanimous consent for the consideration of two nominations which, at the request of the Chairman of the Committee on Foreign Relations [Mr. PITTMAN], I reported to the Senate. It was then suggested by the Senator from Oregon [Mr. McNARY] that the matter be deferred until later in the day. I now renew my request for the present consideration of the nominations.

The VICE PRESIDENT. The clerk will report the first nomination.

ROBERT WORTH BINGHAM

The Chief Clerk read the nomination of Robert Worth Bingham, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

Mr. McNARY. Mr. President, I objected this morning to the immediate consideration of the nominations on account of the absence of the ranking Republican member of the Committee on Foreign Relations, the Senator from Idaho [Mr. BORAH]. I am advised that it will be satisfactory now that the nominations be confirmed, and I have no objection.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

IRVING N. LINNELL

The Chief Clerk read the nomination of Irving N. Linnell, of Massachusetts, now a Foreign Service officer of class 2 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the President be notified of these confirmations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. Mr. President, as in legislative session, I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and the Senate (at 5 o'clock and 52 minutes p.m.) took a recess until tomorrow, Thursday, March 23, 1933, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of Mar. 13), 1933

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Robert Worth Bingham to be Ambassador Extraordinary and Plenipotentiary to Great Britain.

SECRETARY IN THE DIPLOMATIC SERVICE

Irving N. Linnell to be a secretary in the Diplomatic Service.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 22, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

In the distribution of the gifts of Thy providence, O Thou eternal God, there is no respect of persons. Thou dost

make the sun to shine on the evil and the good and sendeth rain upon the just and the unjust. In the ministry of love lead us along this pathway that means fullness and richness of character. O judge us tenderly and mercifully. Bless us this day with the generous pleasure of deeds kindly done. Let the spirit of the Master pervade our beings, shaping our thinking and influencing our activities. Again we bear our country to the altar of prayer. Soon, ah, soon, let us catch the undertone which assures us of a brighter and a better day. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF A MEMBER

Mr. FREAR. Mr. Speaker, my colleague, Mr. PEAVEY, is present. He has been prevented from attending heretofore by illness. He desires to take the oath of office.

Mr. PEAVEY appeared at the bar of the House and took the oath prescribed by law.

DISPENSING WITH BUSINESS OF CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the business of Calendar Wednesday, today, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

OTHER PEOPLES' MONEY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill (H.R. 4003) to regulate commerce among the States, to promote the general welfare by strengthening confidence in life insurance, and by protecting the policyholders of life insurance, a bill introduced by me, and include therein a copy of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I desire to state, very briefly, some of the considerations that have induced me to introduce H.R. 4003, a bill to regulate interstate commerce, to promote confidence in life-insurance companies, and to protect the rights of policyholders. During these days when revelations and discoveries are being made concerning the morals and ethics, or more properly, the lack of good morals and of high ethical standards, among the so-called "big business men", and especially the bankers of this country, we are forced to wonder what will come next, and what dangers and unsound practices may be next disclosed.

BANKER IN JAIL

I refer, very briefly, to the horrors of the Insull investigations. Also, to the complacent and nonchalant attitude of Charles E. Mitchell, formerly chairman of the board of directors of the National City Bank, of New York, perhaps one of the largest, if not the largest bank in the world. Mr. Mitchell did not realize that he had done anything wrong by resorting to a fraudulent device to make his income-tax return appear in the red. He seemed to think it was a smart trick to transfer, without an actual bona fide sale, enough bank stock to his wife to offset the bonuses and commissions which were paid him for his services as chairman of said board of directors, amounting to nearly \$3,000,000, in less than 3 years. Some intelligentsia and highbrows and sympathizers with the barons among bankers and the big leaders of industry have charged that the popular feeling toward Wall Street was based upon mere prejudice and ignorance. In fact, some people have said that the business ethics of Wall Street is higher than the business ethics of Main Street. "Main Street" is a generic term to represent our small cities and towns. But today's newspaper reports the fact that the said Charles E. Mitchell has been arrested as a common criminal, on the ground that he had attempted to commit a fraud upon his own Government. It is charged that Mr. Mitchell would seek to deprive his Government of over \$600,000 in taxes, when that Government has been spending over \$4,000,000,000 a year to maintain itself, and thereby to protect and to defend the enormous investments

from which Mr. Mitchell was drawing his millions of dollars. He who would thus fraudulently refuse and fail to bear his part of the burden of taxes in time of peace is, in effect, a traitor to his nation, and such a man would doubtless sell his nation to an enemy in time of war.

Let all of the "bootlickers" and "koters" that have been making obeisance to Wall Street as the pink of political and economic and financial perfection now hang their heads in shame, in that the greatest exponent of them all, Mr. Charles E. Mitchell, stands indicted in the courts of his country upon the charge of seeking to defraud his own Government. A man who would defraud his Government would thereby defraud all the 120,000,000 people in the Nation. If he would defraud 120,000,000 people, then he would defraud every man, woman, and child, every widow and every orphan that he got a chance to practice fraud upon.

ROBBING DEAD MEN, THEIR WIDOWS AND ORPHANS

Mr. Speaker, recently the press carried reports that the receiver for the Illinois Life Insurance Co. had brought suit against the former president of that company and other officers for money alleged to have been lent by that company to said officers, in an amount aggregating several million dollars. The Illinois Life Insurance Co. was forced into the hands of receivers because of the mismanagement and the virtual fraud and breach of trust by its officers. I do not hesitate to say that the officer of a life-insurance company that receives the money from hard-working husbands and fathers, upon the promise of holding the same in trust, and to have it accumulate, with interest, so that when the husband and father dies there will be money to take care of the widow and the orphans; and who borrows that money without adequate security, or who lends that money to some friend, or to some favorite corporation, without adequate security is a moral criminal, because he has broken the most solemn and sacred trust that the business world knows. We do not know how many such breaches of trust have been committed. We know that there is considerable intimacy between the big bankers and the big insurance officials.

It is time to have another investigation such as the now Chief Justice Charles E. Hughes conducted as counsel for the Armstrong committee concerning the business transactions of the "Big Three" life-insurance companies something like 30 years ago. That work made Charles E. Hughes what he is today. At least it demonstrated to the country that Charles E. Hughes was an able and clean and courageous lawyer, and so attracted to him the attention of the right-thinking people, that they made him Governor of New York, then made him Secretary of State, and now Chief Justice of the greatest court in all the world.

Mr. Speaker, I have no information about any other insurance company having lent money to any officer, or to any subsidiary corporation, or to any affiliated corporation owned or controlled by any of its officers. But I can well remember the disclosures that were made at the time of the Armstrong investigation. I can remember that the insurance companies were shown to have built very expensive office buildings, which were financed by the insurance companies, and that the net rentals to the insurance companies or the net interest on the bonds held by the insurance companies was not a fair and adequate return upon the money invested.

If any insurance company at the present time is not guilty of any of these practices, then I am sure that all such companies would be more than happy to prove that they have clean hands by making the statement required by H.R. 4003. To file this statement annually will not impose any hardship upon any insurance company. It will not involve any expense whatsoever. The statement will not be open to inspection by anyone except policyholders, who have a moral and a legal right to know what is being done with their money.

The recent disclosures are calculated to make us all suspicious. I have paid in a great deal of money to life-in-

surance companies in the form of premiums. I am a firm believer in life insurance. Therefore, the purpose of my bill is to confirm public confidence in the life-insurance companies. If any one or more companies be guilty of any of the practices above indicated, then the policyholders ought to know it, so that they could correct such abuses of confidence before too much of the assets be dissipated. If any insurance company is not guilty of any of said practices, then it should be more than glad to advertise to the whole world those facts that are herein required to be furnished merely to policyholders. Unless we restore complete public confidence in our banks by guaranteeing bank deposits and in our insurance companies by taking every possible measure to insure honesty, then aggregations and accumulations of capital will be practically impossible in the future.

The money that the big investment bankers and international bankers have been speculating on was not their money. It was money belonging to the depositors in their banks. If the officers of any insurance company have been speculating in stocks or bonds or real estate with money belonging to the company, then they are guilty of most reprehensible conduct and ought to be exposed. If the speculators and gamblers used merely their own money, that would not be so bad and might not be a matter for public legislation. But these speculators and gamblers seem to take care to use somebody else's money. If they win, they gather to themselves their enormous profits. If they lose, then they let the policyholders and the depositors "hold the bag."

DIG UP ALL ROTTEN ROOTS

It is time that we should have a Nation-wide house cleaning. It is time that this extreme passion to get rich quick should cease. It is time that bankers and insurance officers should be made to realize their high responsibility. It is time that bankers and insurance officers should be content with the annual fixed salaries paid by their respective corporations. It is time that the payment of bonuses, commissions, and secret fees should be stopped. It is time that the banking business and insurance business be forced out into the open in every detail. While it is true that there is no complete substitute for moral integrity and personal honesty, yet if selfish and greedy and avaricious men know that their abuse of confidence and their speculations with other people's money will lead to prosecution in the court and perhaps to the penitentiary, then they will be far more careful in the future than they have ever been in the past.

Mr. Speaker, I hope and pray that this new deal of President Roosevelt and the Democratic Party will purge this Nation of the speculator and the gambler who would get rich quick by using other people's money. I hope and pray that we will stay in session, even if it takes all summer, in order to pass legislation to reach to the very root of all the evil practices that have brought upon this Nation its present plight of misery.

CRIMINAL GAMBLING

Undoubtedly, the mighty orgy of speculation in New York during the years 1927, 1928, and 1929 is the direct or proximate cause of the collapse of our economic structure. Billions and billions of dollars were drawn from every city and town and village in the whole Nation into that vortex of wild and lurid stock gambling. Productive industry was cheated of its necessary capital. Big bankers smiled upon that dance of death. Even Andrew W. Mellon, whom many regard as the greatest Secretary of the Treasury, not excepting even Alexander Hamilton, looked benignly and approvingly upon that delirium of speculation. Billions of dollars' worth of foreign government bonds and of foreign industrial bonds and securities were dumped upon a confiding and trustful and credulous American public. The speculators and gamblers sold the American people short; and then when the great collapse came, and prices went tumbling, and commodities and real estate have reached the lowest level they have known in any civilized country since the discovery of America, these same speculators and gamblers, using not their own money but the money of other peo-

ple, have bought and are buying the choice properties of America and preparing to reap with the rising tide of prosperity the greatest crop of profits in the whole history of the world. If we have the sense that we ought to have and that we have boasted we have, we will take steps now to clip the wings of these deep-laid schemers to own all the natural resources and thus all the wealth-producing properties of this Nation.

AMERICA IN GETHSEMANE

Mr. Speaker, economic conditions in America now are worse than they were in France when the French Revolution broke upon that country. American economic conditions are worse than they were in England after the Napoleonic wars, and prior to the great reform bill of 1832. Who is responsible for this condition? A wise and merciful and loving God did not bring this affliction upon the innocent and helpless and honest and God-fearing men and women and children of this Nation. This calamity has been brought about by the wicked and selfish designs of men in high places of financial and economic power, who have defied the law of love and of brotherhood prescribed by the meek and lowly Nazarene. These same designing and unscrupulous industrial and financial barons will continue to lord it over the laboring and producing people of this country, unless we use our sense, unless we exercise our intelligence, and cooperate through our political institutions to suspend forever their nefarious practices. We owe it to our children and to our grandchildren and to posterity to make a thorough housecleaning now. We ought to go to the bottom of all these problems, and rebuild our economic structure upon the eternal foundations of honesty and justice and fair dealing. This is our solemn duty, and if we close our eyes to the lessons that this terrible crisis has taught us, then we will be derelict to the greatest duty that can come to the responsible legislators of any nation. Our children and our children's children will rise to curse us, if for some temporary advantage, in order to placate those who have been our financial masters, we stop short of a complete renovation of our political and economic system. We should go about this duty with a stern and inflexible resolution to cut from our body politic the cancerous growth of speculation and business gamblers. We should stabilize the purchasing power of money so that these recurring fluctuations in the prices of commodities may be prevented in the future. Certain and unexpected changes in prices constitute the gambler's heaven.

The men who labor either in the field or in the factory or in the city or in any other honorable undertaking are victimized by the speculating group that plans to suck from the laborer and the producer all the profit and reward of his effort. During all this depression, during this panic of credit and the paralysis of industry, the bondholders have been clipping their coupons and collecting their interest from the Public Treasury. The bank credit that was lent to the country in time of war, when the average prices mounted to 289, meant that the Government was promising to pay at a future time money that was worth less than 50 cents on the dollar when borrowed. But by the shrewd machinations of this same selfish set when pay day comes that same 50 cents is actually worth \$1.60. Now, these same bondholders are demanding payment not in bank credit, which they lent the Government during war, but gold itself, and are demanding twice as much monetary gold as there is in the whole world. But, mark you, in the meantime, during the last 16 or 17 years, they have been drawing interest at more than 4 percent, so that they have already received, in the form of interest, about 75 percent of the money lent in 1917 and in 1918, and are still demanding the payment of \$1.60 for every 50 cents lent. In other words, they lent money on an inflated dollar and are now demanding payment in gold on a deflated dollar. If they are able to collect \$1.60 for every 50 cents lent, and if they have already collected 75 cents interest on a 50-cent dollar, then they will receive from the taxpaying public of America, which means the laboring and producing public of America, about \$2.35 for every 50 cents lent in bank credit.

WHOLESALE BANKRUPTCY

No wonder this country is in economic distress. No wonder farms and city homes are being sold by the millions. No wonder people are in rags and hungry and marching up and down the highways and streets of this Nation, not merely searching for jobs but actually begging for bread. And now we are told that the same selfish group that have their hands on the billions of other people's money, in the form of bank deposits and in the form of accumulated life-insurance premiums, are saying to this Government, which defends and protects their very existence, that unless it pays $4\frac{1}{4}$ percent for short-term notes, they will let this Government become bankrupt and go to ruin for lack of funds to discharge its obligations. The presumption and arrogance of these self-constituted masters of the destiny of this Nation are indescribable. They defiantly compel the Nation to stand and deliver according to their own terms. How long will the liberty-loving and independent people of America stand for such slavery as they now endure? If anybody in America has money to lend to his Government, and if he insists on charging more than 3 percent on either long-time loans or short-time loans, then this Government ought to exercise its power to take and to commandeer from such disloyal and unpatriotic people the money necessary to keep our Government going. We can take it in the form of a tax. There is no limit to the power to tax. Some people think that you cannot impose a capital levy. People who say that do not think skin-deep. The States of this Union have, for the last 3 years at least, been imposing a capital levy upon the farm lands of the Nation. I know millions of acres of farm lands that have not produced net profits for the last 3 years sufficient to pay the taxes. Every dollar of tax collected by the public in excess of the net returns from the land is a capital levy upon the land itself.

I have 700 acres of land that for the last 10 years have not paid sufficient rent to pay the taxes upon that land. Consequently, I have been compelled to pay hundreds of dollars, which amount to a capital levy. If the taxes are not paid, the land is sold, and thus complete confiscation of property and of title comes about. Yet those who control the credit of the Nation, by controlling other people's money, escape practically every form of taxation, except the income tax; and Mr. Charles E. Mitchell thought that by fraud and corruption he was escaping his income tax in 1929. Maybe there are scores, if not hundreds, of other big bankers and big speculators and big gamblers who resorted to the same trick to defeat the payment of income taxes that Mr. Mitchell did. Our income taxes have dried up wonderfully in the last 2 or 3 years. Perhaps there is an explanation for a part of this failure of revenue in a widespread resort to the scheme and device that Mr. Mitchell employed. If so, the truth should be discovered. Every income-tax return should be most closely scrutinized. The refunding of billions of dollars should be reviewed. Perhaps fictitious transactions enabled many of these big taxpayers to obtain refunds. It is time to search in every direction to learn the whole truth and to uncover the rascality that has been practiced in high places, in banking and in business and in insurance.

Mr. Speaker, in an effort to contribute my part to devising legal machinery, under the Constitution, to reach any possible abuses by insurance companies, I have introduced H.R. 4003, and by permission of the House I am printing a copy of that bill as a part of my remarks.

The bill is as follows:

H.R. 4003

A bill to regulate commerce among the States, to promote the general welfare by strengthening confidence in life insurance, and by protecting the policyholders of life insurance.

Be it enacted, etc., That every life-insurance company, whether a stock company, or a mutual company, or mixed, shall, as a condition precedent to the right to use the United States mails in the transaction of business, and as a condition precedent to the use of any other means or agency or instrumentality of transportation, or of communication between the several States, whether for advertising or for transmitting or receiving money or other communications, obtain for each and every successive year a license permitting and authorizing such insurance company to

use the mails, or other means of transportation or communication between the several States, as above outlined, and that said license shall be issued by the Secretary of Commerce of the United States, pursuant to the provisions of this act and to rules and regulations to be prescribed by the said Secretary of Commerce.

Sec. 2. That in order to obtain a license to do the things herein enumerated, as herein required, each such insurance company shall, during each and every year, after the 1st day of May and before the 1st day of July, file with the Secretary of Commerce a statement upon forms to be prescribed and furnished by him, showing, in detail, all the assets and liabilities of such insurance company, and showing in like detail the nature of all the investments of such company, and showing in like detail what money, if any, belonging to such company, shall have been lent by such company to any officer, agent, or employee thereof, and showing what money, if any, shall have been lent to any subsidiary, affiliate, or any other company or association, owner, operated, or controlled by any such insurance company, or owned, operated, and controlled by any person, firm, or corporation in any way connected with such insurance company, whether as officer, agent, employee, or other relation or connection, by whatsoever name designated. Further, said annual statement, so filed, shall show all sums of money paid annually by any such insurance company to any officer, agent, or employee of such company, and shall contain a statement that no bonus, commission, or other form of compensation shall have been paid either directly or indirectly to any officer, agent, or employee of such insurance company. Said statement shall also contain a representation that no commissions, bonus, or other form of compensation shall have been received by any officer, agent, or employee of any such insurance company, in connection with any loan made by such company, or in connection with the purchase of any bonds, stocks, or other securities by said company. Each and every such statement shall be sworn to in accordance with the laws of the State wherein made, by at least two of the responsible officers of each and every such insurance company. All such statements shall be open to inspection only by the policyholders of the respective insurance companies.

Sec. 3. That the Secretary of Commerce shall have power to make all needful rules and regulations for the effectual administration of the provisions of this act, and all such rules and regulations shall be printed by him, and supplied by him, through the mails, to all insurance companies to which the provisions of this act apply.

Sec. 4. Any person, firm, or corporation violating any of the provisions of this act, or willfully and knowingly making any false statement pursuant to the provisions of this act, or resorting to any scheme, device, or arrangement to defeat the provisions and purposes of this act, shall, upon indictment, trial, and conviction, be fined for each such act not exceeding \$10,000, or shall be imprisoned not exceeding 5 years, or both, at the discretion of the court.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to insert in the RECORD two resolutions which were adopted in New York City concerning conditions which my colleague [Mr. CELLER] offered to the House in Resolution 24.

They pertain to the persecutions of certain people in Germany. I understand that American citizens are included in the present persecutions which are going on in Germany. I ask unanimous consent to insert those two resolutions in the RECORD.

Mr. BLANTON. Reserving the right to object, is there anything in the document that would give affront to the present officials of Germany?

Mr. O'CONNOR. I do not think so.

Mr. BLANTON. If there is, I intend to object; because if there are American citizens in Germany who are being persecuted it is probably because they have stayed there so long they are looked upon as natives. They ought not to be over there where they can create a new animosity between that Government and our own. If they are Americans, they ought to come back to the United States. From now on I am going to watch these things carefully.

Mr. O'CONNOR. I understand this course was followed in 1912, and perhaps on other occasions where some of our citizens were suffering on account of racial extraction.

Mr. BLANTON. Is there anything in the resolution that would be likely to affront the Hitler officials?

Mr. CELLER. I assure the gentleman that there is not.

Mr. SNELL. Reserving the right to object, I do not intend to object, but since I have been a Member of the House, as far as I can remember, it has not been the policy to put in the RECORD such resolutions. But I feel that the majority is responsible. There is always the question, when we put such resolutions in the RECORD involving certain international questions, that they may come back to embarrass us.

I think it should be looked over carefully and the State Department consulted; but if the majority feels that it should be inserted, I am not going to take the responsibility of objecting. But I want to call attention to the fact at this time that such hasty action may come back to embarrass us.

Mr. CELLER. I will say that in preparing the resolution I followed carefully the precedents established in 1902, 1912, and in 1928, when our then Secretaries of State made representations to the Rumanian and Russian Governments that our Government viewed with disfavor anti-Semitic outrages and insults then perpetrated in those countries.

Mr. SNELL. The presentation of such facts by the Secretary of State is an entirely different proposition from putting these resolutions in the RECORD, because the Secretary knows the regular procedure in these matters. As far as I know, and as far as I have been familiar with the proceedings of the House, I do not think we have taken any such action in these matters that are not particularly our own business, and I think it is at least of doubtful propriety.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. McFADDEN. I object.

REVALUATION OF THE GOLD DOLLAR

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the revaluation of the gold dollar, and to insert certain excerpts from the Lawyers Reports, Annotated.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, the agitation to reduce the quantity of gold in the gold dollar raises a very interesting legal question. Many long-term contracts, running into billions of dollars, such as bonds and mortgages, specifically provide for payment in gold coin. It is provided in others that payment shall be made in gold coin of a certain weight and fineness.

It is maintained by those who advocate the reduction in the quantity of gold in the gold dollar that these contracts can be discharged by paying in legal-tender currency the sum specified, even though the creditor objects and demands payment in gold as specified in the contract.

A recent decision in the English courts holding that the debtor can discharge such a contract in the legal-tender money of the realm has given rise to much speculation as to what our courts will hold if the question is squarely presented for adjudication.

A few excerpts from decisions to be found in the Lawyers Reports, Annotated, may be useful to Members of the House who are interested in this question. The leading case in the United States on this subject is *Bronson v. Rodes* (74 U.S.):

NOTE.—Special contracts and obligations to make payment in gold or silver.

I. Before Legal Tender Act.

II. Application of Legal Tender Act to specific contracts for coin.

a. Decisions before *Bronson v. Rodes*.

1. Denying effect to such contracts.

2. Supporting such contracts.

3. In equity cases.

4. Effect of State statutes.

b. Doctrine of *Bronson v. Rodes* and later cases.

1. Federal cases.

2. State decisions generally.

3. Alternative provisions; coin or equivalent.

4. Municipal and state contracts.

III. Implied contracts or obligations imposed by law.

a. In general.

b. Ballment and conversion of coin.

c. Bank deposits.

d. Accounting for trust.

e. Other actions for damages.

I. Before Legal Tender Act

An agreement to pay a certain sum in specie at a future date in consideration of a loan of paper money was sustained in *Brachan v. Griffin* (3 Call (Va.) 375 (1803)), in a suit in equity for relief against the contract in which an injunction that had been granted was dissolved and the bill dismissed.

An early Kentucky statute, providing that when a note was made payable "in gold or silver" the judgment should specify that fact, was enforced in *Webb v. Moore* (4 T.B.Mon. 483 (1827)), and it was held that a note calling for dollars "in specie" came within the statute.

But without referring to such statute as controlling or existing, the effect of the words "in gold and silver" in a note calling for a specified amount in dollars and cents is also considered in *Hart v. Flynn* (8 Dana, 191 (1839)), in which it is said that such a note is for the direct payment of money, and cannot be discharged, or imply an undertaking to pay, in bullion, bars of gold and silver, or old silver teapots, spoons, and rings, and that if such had been the intention the amount would not have been measured by dollars and cents, but by ounces and pounds.

In case of a due bill for \$895 in dimes on demand, it was said that the fact that it was payable in dimes was perfectly immaterial, as it might be discharged by the payment of eagles, dollars, or dimes. (*Atchafalaya R. & Bkg. Co. Comrs. v. Bean*, 3 Rob. (La.) 414 (1843).) But this seems to involve merely the denomination of the money, and not the kind of it.

II. Application of Legal Tender Act to specific contracts for coin

A. DECISIONS BEFORE BRONSON V. RODES

1. Denying effect to such contracts

The leading case on the subject of specific agreements to pay an obligation in gold or silver is that of *Bronson v. Rodes* (74 U.S. 7 Wall. 229; 19 Led. 141 (1869), reversing 34 N.Y. 649 (1866)), in which it was decided that a bond to pay a certain sum in gold and silver coin, lawful money of the United States, with interest also in coin, was payable only in coined money.

Some of the State courts, before this decision, construed the Legal Tender Act to cover agreements which specifically called for payment in gold and silver, as well as other contracts which did not specify the medium of payment further than to name the number of dollars and cents that should be paid. These, although they may be regarded as now only of historical value, are here compiled to show the whole course of decisions on the subject. It will be seen from subsequent portions of this note that some of these decisions have been expressly overruled by later decisions of the same court.

Thus in Illinois it was decided in *Whetstone v. Colley* (36 Ill. 328 (1865)), in an action on a promissory note, that a contract for the payment of money specifically in gold could be discharged by the payment of the same sum in legal-tender notes, and that in a suit upon such a contract a judgment could only be rendered for the amount due upon its face, which judgment would of course be payable in such notes.

In Indiana, in *Reynolds v. Bank of State* (18 Ind. 467 (published in 1862)), the Supreme Court of Indiana held that, although the charter of the bank provided that it should "not at any time suspend or refuse payment in gold or silver of any of its notes, bills, or obligations", a tender by the bank of United States Treasury notes in redemption of its own notes or bills was valid under the Legal Tender Act of Congress. But the court rendered this decision in deference to the action of the Federal Government and contrary to its own opinion, saying that as its decision was that of a nisi prius court, which must be reviewed by the Federal court, it had better err in acquiescing in than by declaring null the acts of Congress. It does not appear from this case that the notes or bills of the bank expressly provided for payment in coin, but the charter of the bank, if construed as a part of the contract, would make the case substantially the same as if a provision for payment in gold or silver was included in the notes and bills themselves.

A promissory note to pay \$500 "in gold" is held in *Thayer v. Hedges* (23 Ind. 141 (1864)) to require a judgment merely for \$500 and interest, and not for the value of \$500 of gold coin.

The decision in *Thayer v. Hedges* is followed in *Brown v. Welch* (26 Ind. 116 (1866)), denying recovery for more than the nominal amount of payment on a contract calling for gold, or, if paid in paper, the amount necessary to purchase gold.

In Iowa a note payable in United States gold, made before the passage of the Legal Tender Act, was held, in *Warnibold v. Schlichting* (16 Iowa 244 (1864)), to be merely a promise to pay money, and to be payable in any medium or currency declared by law to be legal tender.

This case was followed by the same court in *Troutman v. Gowing* (16 Iowa 415 (1864)), in a suit for the specific performance of a bond for the conveyance of land.

In Kentucky a note for a specified number of dollars, made in 1858, which includes the clause "this money is to be paid in gold or silver", is construed, in *Johnson v. Vickers* (1 Duv. 266 (1864)), to have the same effect as if this clause was omitted, and to be enforceable only for the specified number of dollars, without any provision for payment in gold and silver. This decision was rendered without considering the effect upon the case of the Legal Tender Act, and was based on the construction of the contract alone, and it made no reference to the case of *Webb v. Moore* (4 T.B.Mon. 483 (1827)), or to the early Kentucky statute therein referred to, recognizing the validity of a provision that a note should be payable "in gold or silver."

A note to pay a specified sum in gold is regarded as simply an undertaking to pay that sum in money, and nothing more, in the Kentucky case of *Riley v. Sharp* (1 Bush 348 (1866)), and therefore no damages were allowed for failure to pay the debt in gold on account of the difference that had arisen between the values of gold and the legal-tender notes.

Thus it was held, in *Galliano v. Pierre* (18 La. Ann. 10, 89 Am. Dec. 643 (1866)), that a charter party calling for payment in gold could not be enforced in that particular, but that only the amount specified in lawful money could be recovered. This decision was followed in *Olanger v. Blanchard* (18 La. Ann. 616 (1866)), in

case of a contract to pay francs or "their equivalent in gold currency of the United States."

In Massachusetts, in *Wood v. Bullens* (6 Allen 516 (1863)), a promissory note payable in specie is held to be payable in any money which is legal tender, although specie was at a premium when the note was made.

In *Tufts v. Plymouth Gold Min. Co.* (14 Allen 407 (1867)), it was held that the salary of an agent, expressly made payable in specie, entitled him only to a judgment for the amount due expressed in dollars, and the fact that it was declared to be payable in specie did not alter the amount due.

So in the Michigan case of *Buchegger v. Shultz* (13 Mich. 420 (1865)) it was held, Judge Cooley writing the opinion, that a contract for "dollars" payable in gold may be discharged by payment of the specified amount in notes which Congress has made legal tender.

So in Missouri a note for a certain amount "in gold" was held enforceable only for its face value payable in any lawful money, and a judgment including premium on gold was held invalid. (*Henderson v. McPike*, 35 Mo. 255 (1864).)

So a contract to be paid in the "current gold coin of the United States in full tale or count, without regard to any legal tender that may be established or declared by any law of Congress", is held not to be enforceable, as the contract plainly regards gold as money, and as such no distinction can be made between gold and legal-tender notes (*Appel v. Woltmann*, 38 Mo. 194 (1860)).

So in Nevada the courts at first denied the force of a provision for gold coin in a contract made before the Nevada Specific Contract Act, and denied the right to a judgment for gold coin. (*Burling v. Goodman*, 1 Nev. 314 (1865).)

As to the effect of State statutes authorizing judgment for coin when a contract specifically provides for such money, see *infra*, II, A, 4.

In New Hampshire, in a case of assumpsit for money had and received where gold coin had been pledged as security and afterwards went above par, it was held that the damages must be limited, in that form of action, to the amount of money received, excluding any premium on the gold; and that, even if the action was in the form of trover, only the value at the time of conversion could be allowed as damages. (*Frothingham v. Morse*, 45 N.H. 545 (1864).)

In New York, in an action on a foreign judgment which would be payable only in gold or currency equal to gold at the place where it was rendered, it was held in *Swanson v. Cooke* (30 How. Pr. 385 (1866)), that premium on gold could not be included; and, as the parties agreed that a pound sterling was equal to \$4.84, the judgment was rendered on that basis without allowing any premium on gold.

A provision in a charter party for payment of freight "in silver or gold dollars", if discharged in the United States, is held in *Wilson v. Morgan* (30 How. Pr. 386, 4 Robt. 58, 1 Abb. N.S. 174 (1866)) to be satisfied by tender of the freight in United States notes, where the contract was made after the passage of the Legal Tender Act.

In *Murray v. Gale* (5 Abb. Pr. N.S. 236, 52 Barb. 427 (1868)), affirming *Murray v. Harrison* (47 Barb. 484, 33 How. Pr. 90 (1867)), it was held that the words "in specie, gold, and silver coin", in an obligation for the payment of a certain number of dollars, did not affect the right to discharge the contract by paying the stipulated amount in legal-tender notes.

In *Jones v. Smith* (48 Barb. 552 (1867)), it was held to follow inevitably, from the Legal Tender Act as interpreted by *Rodes v. Bronson* (34 N.Y. 649 (1866)), that a bill of exchange payable "in specie or its equivalent" could be paid in legal-tender notes called "greenbacks."

In Pennsylvania an express contract to pay "specie, current gold, and silver money of the United States", was held to be within the operation of the Legal Tender Act, in *Shoenberger v. Watts* (5 Phila. 51 (1862)).

So ground rent payable in "dollars, lawful silver money of the United States, each dollar weighing 16 pennyweights 6 grains, at least", is held redeemable in legal-tender notes. (*Mervine v. Sailor*, 52 Pa. 9 (1866).)

The same is held in case of ground rent payable in "dollars, lawful money of the United States of America", in *Shallenberger v. Brinton* (52 Pa. 9 (1866)).

Likewise as to ground rent payable in "lawful money." (*Davis v. Burton*, 52 Pa. 9 (1866).)

So where the provision was for ground rent payable in "lawful money of the United States." (*Kroener v. Calhoun*, 52 Pa. 9 (1866).)

The same doctrine is held in case of a certificate of deposit of "gold payable * * * in like funds, with interest." (*Sandford v. Hays*, 52 Pa. 9 (1866).)

A note for a sum of money with the amount marked "specie" on the margin, which by bankers' rules meant silver or gold coin, was held in *Graham v. Marshall* (52 Pa. 9 (1866)) to be payable in legal-tender notes, and the same decision was made in respect to a note for dollars "in gold" in *Laughlin v. Harvey*. (52 Pa. 9 (1866).)

In Texas a note for "\$600 in gold" was held, in *Shaw v. Trunzler* (30 Tex. 390 (1867)), to be dischargeable by the payment of legal-tender notes on the grounds that Congress had made them legal currency, and that judgment on such a note could not be rendered for specie.

In the case of *Flournoy v. Healy* (31 Tex. 590 (1869)), where the contract provided for payment of \$590 in specie or \$894 in United

States currency, it was held that the word "specie", in a judgment for a certain number of dollars in specie, was surplusage, but nevertheless an error which might be struck out on appeal.

2. Supporting such contracts

But some decisions of the State courts sustained these specific agreements to pay in coin before the Supreme Court of the United States decided to that effect.

Thus in Georgia a promise to pay a certain number of dollars "in American gold coin" is held, in *Myers v. Kaufman* (37 Ga. 600; 95 Am. Dec. 367 (1868)), to be enforceable, and not to be discharged by tender of the nominal value in depreciated legal-tender notes. In the case of *Taylor v. Green*, passed upon at the same time and by the same opinion, a contract to pay "in gold" is likewise sustained.

In several States distinctions were made which have since become unimportant.

In the decision of the Supreme Court of Massachusetts in *Essex Co. v. Pacific Mills* (14 Allen, 389 (1867)), it was also held that a contract to deliver a certain number of ounces of silver of a certain fineness in payment of rent, or its equivalent in gold, was a contract for the delivery of a commodity the breach of which required a judgment for the market value thereof payable in United States notes.

A loan of \$10,000 in gold, on an agreement to repay in gold, was held in *Bank of Commonwealth v. Van Vleck* (49 Barb. 508 (1867)) to be valid and subject to discharge only by payment in gold, and the Legal Tender Act of Congress is held to be inapplicable to such a contract. This case is distinguished from the decision by the court of appeals in *Rhodes v. Bronson* (34 N.Y. 649 (1866)) on the ground that in the latter the obligation was to pay "in lawful money", and that the words "in gold and silver coin" were surplusage, while in the present case the agreement was not to pay an ordinary debt, but to return articles of the same kind that were received.

Upon a bill of exchange drawn in Prince Edwards Island, "payable in United States gold coin", the holder is held, in *Bank of Prince Edwards Island v. Trumbull* (53 Barb. 459, 35 How. Pr. 8, 4 Abb. Pr. N. S. 82 (1868)), to be entitled, in case of nonpayment, to an amount equal to the value of the gold in legal-tender notes at the time of the trial.

A bond for payment "in gold coin of the United States" of a particular "fineness, notwithstanding any law which now may or hereafter shall make anything else a tender in payment of debts", was held in *Dutton v. Pailaret* (52 Pa. 109, 91 Am. Dec. 135 (1866)) to be enforceable according to its terms, and judgment rendered thereon for the value of the gold in currency. The court said: "When parties stipulate for specific chattels, and expressly exclude the legal tenders which Government has prescribed, the bargain must be presumed to rest upon an adequate consideration, and neither legislative nor judicial power can pluck the fruits that belong to one of the parties for the mere purpose of giving them to the other." The court distinguished this case from *Graham v. Marshall* (52 Pa. 9 (1866)) on the ground that there the ordinary legal tenders of the country were stipulated for.

Ground rent payable in "21 Spanish coined fine silver pieces of 8½ part of a piece of 8, each piece weighing 17 pennyweights and 6 grains, or so much lawful money of the said Province of Pennsylvania as shall be sufficient to purchase or procure" the specified coin is held, in *Mather v. Kinkie* (51 Pa. 425 (1866)), to be a specific article called for by the covenant, and not to be payable in currency.

Ground rent, payable in "Spanish milled silver dollars which weigh 17 pennyweights and 6 grains at least", was held not legally represented by United States legal-tender notes, but to be payable only in coin according to the contract. (*Christ Church Hospital v. Fuechsel*, 54 Pa. 71 (1867).) The court distinguished this case from that of *Mervine* against *Sailor* and others, decided by the same court, in which the rent agreed upon, although specified as gold or silver, was further described as "lawful money", but this distinction was subsequently abandoned by the court, which was constrained by the decisions of the Supreme Court of the United States to sustain the stipulation in either form when coin was agreed upon. (See also, as to effect of State statutes, *infra*, II, A, 4.)

The Supreme Court of Nova Scotia also sustained such contracts and held that on a lease of property in the British dominions payable in "dollars and cents of United States currency", made before the passage of the Legal Tender Act, payment could be made only in coin. (*Nova Scotia Teleg. Co. v. American Teleg. Co.*, 4 Am. L. Reg. N.S. 365 (1865).)

3. In equity cases

The power of equity to give effect to a specific provision for payment in coin, when this was not enforceable at law, was a question on which the courts were not agreed.

The power of equity to give effect to a specific provision in a contract for payment in gold is denied in *Humphrey v. Clement* (44 Ill. 299 (1867)), following *Whetstone v. Colley* (36 Ill. 328 (1865)) on the general doctrine that specific agreements for payment in gold are not valid.

In *Hove v. Nickerson* (14 Allen 400 (1867)) it was held that a bill in equity would not lie to enforce specific performance of an award to pay a certain number of dollars in gold.

But, on the other hand, it was held in Kentucky that in an equity suit for specific enforcement of a contract, made in 1863, to pay the price of land in gold, where the difference between gold and legal-tender notes was taken into account in fixing the price,

the provision would be sustained. (*Hord v. Miller*, 2 Duv. 103 (1865).) The court allowed the debtor time to make the payment in gold with a warning that on default thereof the value of the gold would be estimated in paper currency and the amount adjudged against him enforced by sale of the land.

4. Effect of State statutes

A specific contract law, providing that judgments may be made payable in coin in actions on contracts which specifically call for such money, is sustained by the Supreme Court of Nevada and declared not to be repugnant to the Legal Tender Act of Congress in *Linn v. Minor* (4 Nev. 462 (1868)). This case overrules several prior cases to the contrary, which were *Milliken v. Sloat* (1 Nev. 573 (1865)); *Mitchell v. Bromberger* (id. 604); *Fox v. Barstow* (id. 612).

Such a statute in California has been the subject of numerous decisions. That it does not conflict with the Legal Tender Act of Congress was decided in *Carpentier v. Atherton* (25 Cal. 564 (1864)), and its validity is assumed by the later cases.

That such a contract relates to actions or proceedings on the contract itself and not to an order in supplementary proceedings for repayment by a borrower of gold from funds in court is decided in *Hathaway v. Brady* (26 Cal. 581 (1864)), because this proceeding is not "an action" within the meaning of the statute.

That a Specific Contract Act applies to contracts made before its passage is decided in *Otis v. Haseltine* (27 Cal. 80 (1864)); *Galland v. Lewis* (26 Cal. 46 (1864)).

A tender of legal-tender notes at par was held insufficient to discharge a note payable in coin in the case of *Vilhac v. Biven* (28 Cal. 410 (1865)).

A purchaser of goods under an oral contract to pay for them in gold is enforceable under the California statute where after the liability accrued and suit was commenced a written contract was made to pay the gold. (*Meyer v. Kohn*, 29 Cal. 278 (1865).)

In an action on a judgment rendered prior to the Specific Contract Act judgment cannot be entered for gold coin. (*Reed v. Eldredge*, 27 Cal. 346 (1865).)

But where the complaint in an action on a judgment alleges that such judgment was rendered payable in coin the new judgment thereon may be for coin. (*Wallace v. Eldredge*, 27 Cal. 498 (1865).)

As to action on judgment, see also *supra*, *Swanson v. Cooke* (30 How. Pr. 385 (1866)).

As to pleading under such statute, see note to *Belford v. Woodward* (III.), *post*, —.

B. DOCTRINE OF BRONSON V. RHODES AND LATER CASES

1. Federal cases

The case of *Bronson v. Rhodes* (74 U.S., 7 Wall. 229, 19 L.ed. 141 (1869)) has already been referred to as the leading case on the subject. It established the doctrine that express provisions for payment in gold or silver were valid and enforceable, as if they were for payment in wheat or any other valuable thing.

The case of *Butler v. Horwitz* (74 U.S. 7 Wall. 258, 19 L.ed. 149 (1869)) applied the doctrine of *Bronson v. Rhodes* to a contract made in 1791 for rent payable in English golden guineas weighing 5 pennyweights and 6 grains, at 35 shillings each, and other gold and silver at the present weights, and rates established by act of assembly. The Court regarded the contract as obviously intended to require payment of the rent in gold and silver for the purpose of avoiding fluctuations to which currency was subject.

Chief Justice Chase said, in *Butler v. Horwitz*, *supra*: "A contract to pay a certain sum in gold and silver coin is, in substance and legal effect, a contract to deliver a certain weight of gold and silver of a certain fineness, to be ascertained by count." The Chief Justice also said: "It was not necessary in the case of *Bronson v. Rhodes*, nor is it necessary now, to decide the question, whether the acts making United States notes legal tender are warranted by the constitution. We express no opinion on that point."

The case of *Bronson v. Kimpton* (75 U.S., 8 Wall. 444, 19 L.ed. 433 (1869)), followed *Bronson v. Rhodes* and *Butler v. Horwitz*, and held that a mortgage to secure a bond for the payment of a certain sum in gold and silver coin was not satisfied by a tender of United States notes equal in nominal amount to the sum due on the bond and mortgage.

On a contract to pay yearly rent of 4 ounces, 2 pennyweights, and 12 grains of pure gold in coined money, judgment should be entered for coined dollars and parts of dollars, instead of Treasury notes equivalent in market value to the value in coined money of the stipulated weight of pure gold. (*Dewing v. Sears* (78 U.S., 11 Wall. 379, 20 L.ed. 189 (1871)), reversing the decision of the Massachusetts Supreme Court in *Sears v. Dewing* (14 Allen, 413 (1867)), which held that the gold should be delivered by the lessee as a commodity, and that in default thereof judgment should be rendered for the market value thereof, estimated in United States Treasury notes.

Freight money for transportation from Whampoa to New York, fixed at 163 pounds, 4 shillings, 4 pence sterling, was held to be payable in United States gold and silver dollars of equal value. (*Forbes v. Murray*, 3 Ben. 498 (1869).)

The validity of a note payable in coin was also sustained in *re Elder* (1 Sawy. 81, 3 Nat. Bankr. Reg. 678 (1870)), in a case of bankruptcy, where it was held that it was properly proved against the bankrupt's estate according to its terms, although a new note for its equivalent in currency would not be invalid.

A note and mortgage calling for pounds sterling of Great Britain was held, in *re Surplus and Remnants of The Edith* (5 Ben. 446 (1871)), to be payable only in coin.

An award by the Attorney General under act of Congress, "payable in gold", was held in *Tyers v. United States* (5 Ct. Cl. 509 (1869)) to be payable in coin instead of currency. And where the claimant accepted depreciated currency under protest, declaring that he would take it only at its value in gold, and was permitted to take it without his agreement to accept in full, it was held not to preclude his claim for the balance.

But accepting other legal-tender notes in lieu of gold on redemption of such notes, though under protest, where there was no deception, mistake, or undue advantage, was held in *Savage v. United States* (92 U.S. 382, 23 L.ed. 660 (1876)) to be a waiver of any right to payment in gold on the redemption.

By peculiar mistake the authors of some textbooks of the law have asserted that the decisions of the Supreme Court of the United States, sustaining and enforcing contracts for payment in specie or in coin, were overruled by the *Legal Tender* cases, so-called. This statement has been accepted and repeated by other persons. But it is utterly unjustifiable. The *Legal Tender* case—*Knox v. Lee* (79 U.S., 12 Wall. 457, 20 L.ed. 287 (1871))—which overruled *Hepburn v. Griswold* (75 U.S., 8 Wall. 603, 19 L.ed. 513 (1870)), deciding that the legal-tender notes constituted lawful tender or payment in case of contract made before the passage of that statute as well as later contracts, did not so much as imply a doubt of the correctness of the previous decisions sustaining the validity of express contracts to pay in coin or specie. On the contrary, in a dissenting opinion Mr. Justice Clifford cites *Butler v. Horwitz* (74 U.S., 7 Wall. 258, 19 L.ed. 149 (1869)) as deciding that, when the intent of the parties as to the medium of payment is clearly expressed in a contract, damages for the breach of it, whether made before or since the enactment of this law, may be properly assessed so as to give effect to that intent; and he adds: "No doubt is entertained that that rule is correct."

Not only was there an entire absence, in the opinions of the justices in the so-called "*Legal Tender* cases", of any intent to overrule *Bronson v. Rodes*, but that case was expressly followed and its doctrine reiterated after the *Legal Tender* Act in *Knox v. Lee*, supra, was held constitutional as to ordinary contracts made before its passage.

Thus, in the year following, the case of *Trebilcock v. Wilson* (79 U.S., 12 Wall. 687, 20 L.ed. 460 (1872)) was decided, again sustaining the validity of a contract to pay "in specie," requiring it to be paid in gold or silver coin, and expressly declaring that the act of Congress "was not intended to interfere in any respect with existing or subsequent contracts payable by their express terms in specie."

In the latest of the *Legal Tender* cases, *Julliard v. Greenman* (110 U.S. 421, 28 L.ed. 204 (1884)), in which it was decided that Congress has constitutional power to make the Treasury notes of the United States a legal tender in payment of private debts in time of peace as well as in time of war, the opinion of the Court clearly implies that the statute does not apply where there is an express stipulation for payment in a particular kind of money. The summing up of the doctrine in the opinion is as follows: "A contract to pay a certain sum in money, without any stipulation as to the kind of money in which it shall be paid, may always be satisfied by payment of that sum in any currency which is lawful money at the place and time at which payment is to be made."

The truth is every case decided by the Supreme Court of the United States, or, in fact, by any Federal court, has recognized the validity of such contracts.

That a person who has expressly undertaken to discharge his obligation by payment in gold or silver will be held to his contract as specifically made is also recognized to be the law in *Maryland v. Baltimore & O. R. Co.* (89 U.S., 22 Wall. 105, 22 L.ed. 713 (1874)), but that case turned on the fact that there was no express undertaking to pay in coin, and that none could be implied, since the implication was not apparent upon the face of the contract.

2. State decisions generally

Even after the decisions in *Bronson v. Rodes* (74 U.S., 7 Wall. 229, 19 L.ed. 141 (1869)); *Butler v. Horwitz* (74 U.S., 7 Wall. 258, 19 L.ed. 149 (1869)); and *Trebilcock v. Wilson* (79 U.S., 12 Wall. 687, 20 L.ed. 460 (1872)), but without mention of them, a promissory note made in 1866 payable "in gold" was given effect in the case of *Munter v. Rogers* (50 Ala. 283 (1873)), only as an obligation for the specified number of dollars in lawful money. This case follows the *Legal Tender* cases, *Knox v. Lee* (79 U.S., 12 Wall. 457, 20 L.ed. 287 (1871)), and *Norwich & W. R. Co. v. Johnson* (82 U.S., 15 Wall. 195, 21 L.ed. 178 (1873)), which decide only the question of the constitutionality of the *Legal Tender* Act as to prior contracts in general, and do not touch the question of specific agreements to pay coin. It is quite plainly based on an inadvertent error of the court.

In *Reinback v. Crabtree* (77 Ill. 182 (1875)) it is said: "Neither the Supreme Court of the United States nor this court recognizes two legal standards of value. A dollar is a dollar, whether payable in gold or in national currency; and 10 percent interest payable in gold may be lawfully paid, dollar for dollar, in any currency which the General Government has declared to be a legal tender in the payment of debts." But this statement is made by way of recital, and the question was not before the court for decision.

All other decisions by State courts since the cases of *Bronson v. Rodes*, *Butler v. Horwitz*, and *Trebilcock v. Wilson*, supra, have recognized the doctrine of those cases and sustained contracts for payment in coin when such cases were presented to them.

A contract to pay a certain number of dollars in gold is sustained as lawful and enforceable in *Hittson v. Davenport* (4 Colo. 169 (1878)).

A note for a certain number of dollars, with a provision that at maturity it shall be paid in currency equivalent in value to the specified amount of currency at the date of the note, is sustained in *Whitaker v. Dye* (56 Ga. 380 (1876)). The court says, in dealing with it, the value of gold was involved to find out how much currency was due, but for that purpose only.

The case of *McGoon v. Shirk* (54 Ill. 408, 5 Am. Rep. 122 (1870)) decides that a promissory note payable in terms in American gold cannot be discharged by a tender of United States Treasury notes, although the contract was made after the passage of the *Legal Tender* Act. This decision is based on those in *Bronson v. Rodes* and *Butler v. Horwitz*, and declares that these overrule *Hull v. Kohlsaat* (36 Ill. 130 (1864)), *Whetstone v. Colley* (36 Ill. 328 (1865)), and *Humphrey v. Clement* (44 Ill. 299 (1867)), in which cases the Supreme Court of Illinois had decided that express provisions for payment in gold would not avail to prevent the discharge of the contract by a tender in legal-tender notes.

That debts payable specifically in coin are not affected by the *Legal Tender* Act was also expressly decided in *Churchman v. Martin* (54 Ind. 380 (1876)).

In *Proctor v. Heaton* (114 Ind. 250 (1887)), a deduction from the amount of a note was claimed, because, on a judgment of 1865 that a renewal note be made payable in gold coin, a new note in settlement of the dispute was made for "two and a half times the debt," but the decision of the court was chiefly based on the fact of long acquiescence in this settlement.

On foreclosure of a mortgage for \$4,000 "in gold coin, or its equivalent value in current money," where the mortgagee sought to have money that had been paid into the custody of the clerk of the court applied on his mortgage debt as an allowance for improvements, and it did not appear in what kind of money it was paid to the clerk, it was held that this money would satisfy an equal number of dollars of the mortgage debt, but that the balance must be paid in gold coin. (*Stark v. Coffin*, 105 Mass. 328 (1870).)

That an express agreement to allow gold payments to be applied with 20 percent premium is valid, was held in *Wright v. Jacobs* (61 Mo. 19 (1875)).

A draft for a certain number of gold dollars, drawn in Canada on a bank in New York, was held in *Chrysler v. Renois* (43 N.Y. 209 (1870)) to be negotiable, and the payment thereof enforceable according to its terms.

A contract to deliver "\$10,000 current funds of the United States at 15 cents on the dollar, to be delivered in 10 months from this date", is construed in *Cooke v. Davis* (53 N.Y. 320 (1873)) to be a contract to pay \$1,500 in coin for \$10,000 in legal-tender notes, and was held to be a valid and enforceable contract. The court said: "That the percentage agreed to be paid therefor by plaintiff was to be payable in coin, is as clear as if stated in those words." Therefore an action for damages was held to be sustained for breach of the agreement to deliver such currency when its value had increased.

A covenant, in a lease, to pay a yearly rent of 6 pence sterling for every acre of land "in current money of the State of New York equal in value to money of Great Britain" is held in *Stranaghan v. Youmans* (65 Barb. 392 (1872)) to be a contract for payment in coined money of the United States; and if payment is made in legal-tender notes, enough of them must be paid to equal in value the stipulated amount of coin.

A promissory note "to be paid in gold or silver" is held, in *Phillips v. Dugan* (21 Ohio St. 466, 8 Am. Rep. 69 (1871)), to be enforceable according to its terms.

On a claim for payment of wages in gold coin it was held that there was no valid contract therefor in the absence of a writing. (*Davis v. Mason*, 3 Or. 154 (1869).)

The validity of such contracts is sustained in *Walkup v. Houston* (65 N. C. 501 (1871)) in case of a note payable in specie.

Ground rent payable in "gold or silver money of the United States" is held, in *Rankin v. Demott* (61 Pa. 263 (1869)), following *Bronson v. Rodes* and *Butler v. Horwitz*, to be payable only in coin or its equivalent. The court remarks that the distinction taken in prior cases between contracts for a specific article and for lawful money is now unimportant.

But when a bond for a certain amount in "lawful silver money of the United States" was secured by a recorded mortgage reciting that it was payable "in lawful money", it was held insufficient to make the mortgage a lien for anything but payment in lawful money. (*Eagle Beneficial Soc.'s App.*, 75 Pa. 226 (1874).)

On notes payable in specie without any specification of the kind of specie a judgment, including the premium on silver coin, in addition to the nominal amount of the debt, was held invalid on the ground that a part of the debt was not payable in specie, and it was said that the exact amount of the part that was due in specie could not be ascertained from the record. (*Townsend v. Jennison*, 44 Vt. 315 (1872).)

Payments in currency on a contract specifically calling for payment in gold, if this provision is not waived, are to be computed at the value of such currency estimated in gold at the date of payment. (*Hittson v. Davenport*, 4 Colo. 169 (1878); *Walkup v. Houston*, 65 N.C. 501 (1871).)

Also among the cases which have followed the doctrine of *Bronson* against *Rodes*, and recognize the validity of express contracts to pay obligations in coin, although in some of them the ques-

tions have been chiefly as to the form of judgment or procedure, are the following: *Sheehy v. Chalmers*, (Cal.) (36 Pac. Rep. 514 (1894)); *Watson v. San Francisco & H. B. R. Co.* (50 Cal. 523 (1875)); *Warren v. Franklin Ins. Co.* (104 Mass. 521 (1870)); *Foster v. Atlantic & P. R. Co.* (1 Mo. App. 390 (1876)); *Smith v. Peabody* (N.Y. Super. Ct. (1870)), cited in *Ransford v. Marvin* (8 Abb. Pr. N.S. 432 (1870))—on the same question; *Lillie v. Sherman* (39 How. Pr. 287 (1870)); *McCalla v. Ely* (64 Pa. 254 (1870)); *Calhoun v. Pace* (37 Tex. 454 (1872)); *Smith v. Wood* (37 Tex. 616 (1872)). These cases are not more particularly set out in this note but are further considered in a note to *Belford v. Woodward* (Ill.), post, —, on the subject of judgments and procedure in cases of this sort.

The validity of such contracts is also assumed in a decision that an agreement by one employing another to procure a loan, to give notes and mortgage "in your usual form," does not make a provision of the latter's customary form for payment in gold a part of the contract, so as to exclude evidence that the employer had previously by like application procured loans upon notes and mortgages without such provision, as the expression as to form does not bind him to make payment upon unusual terms and conditions printed in such forms. (*Peabody v. Dewey*, 27 L.R.A. 322, 153 Ill. 657 (1894).)

A South Dakota statute to the effect that it shall be unlawful to require payment in any certain kind of money (S.Dak. Laws, 1891, ch. 85) is recited in *Jones on Mortgages*, section 901; but this does not seem to have been passed upon in any adjudicated case.

3. Alternative provisions; coin or equivalent

Some lack of agreement appears as to the effect of a provision for payment in coin, when there is added a provision for "its equivalent," or some provision as to the damages in case of default in the payment agreed. But the logic of the decisions sustaining agreements for payment in gold or silver requires that the effect intended by the parties should be given also to these alternative provisions, and such is the decision in nearly all the cases. Yet there are two decisions to the contrary.

On a contract made before the California specific contract act to pay gold "or the equivalent of such gold coin if paid in legal currency", it was held in *Reese v. Stearns* (29 Cal. 273 (1865)) that it was not enforceable in gold, but was a contract to pay a given number of dollars in any kind of lawful money.

So, on a note payable in gold coin or the equivalent thereof in legal-tender notes, it was held in *Killough v. Alford* (32 Tex. 457, 5 Am. Rep. 249 (1870)), to require payment only in lawful money, as the legal-tender notes are by law the equivalent of the gold. The court cited *Bronson v. Rodes*, but considered that it was not in conflict with that decision.

But, on the contrary, a note for "gold coin or its equivalent in United States legal-tender notes" was held to be valid according to its terms, in *Wells, F., & Co. v. Van Sickle* (6 Nev. 45 (1870)), disapproving *Reese v. Stearns* (29 Cal. 273 (1865)). The court in this case declared that no specific contract act was necessary to give effect to such a contract.

So a note payable "in gold, or its equivalent in the currency of the country" is held to be valid and enforceable, in *Mitchell v. Henderson* (63 N.C. 643 (1869)).

And the same court which decided *Reese v. Stearns*, supra, held that a note promising to pay a certain sum in gold coin of the standard value of 1860, and in default thereof to pay as damages such further amount as may be equal to the difference in value in the San Francisco market between such gold coin and paper money, is within the California specific contract act of 1863, and enforceable according to its terms. (*Lane v. Gluckauf*, 28 Cal. 288, 87 Am. Dec. 124 (1865).)

Also an agreement in notes secured by mortgage to pay a certain number of dollars in "United States gold and silver coin," and, in case of failure, to pay a further sum or percentage as damages equal to the actual difference in value in the San Francisco market between such coin and United States Treasury notes or other legal tender, is sustained in *Burnett v. Stearns* (33 Cal. 468 (1867)), following *Lane v. Gluckauf*, holding that such a contract was within the provisions of the California specific contract act. The alternative provision for damages in case of default is held not to defeat the specific agreement to pay in gold.

The right to judgment payable in gold coin on a note specifically providing for payment in such coin is not defeated by an unperformed condition in the note, that if paid at maturity or before suit thereon it shall be payable in any lawful money of the United States. (*Churchman v. Martin*, 54 Ind. 380 (1876).)

The validity of a contract to pay in gold or its equivalent is also sustained in *Atkinson v. Lanier* (69 Ga. 460 (1882)) and *Bond v. Greenwald* (4 Heisk. 453 (1871)), in which cases the question of difficulty was as to the amount of recovery when the relative value of gold and legal-tender notes changed between the time when the obligation matured and the time of judgment. On this question, see the note to *Belford v. Woodward* (Ill.), post, —, as to judgments and procedure in case of liability to pay in coin.

The alteration of a note payable in gold or its equivalent without the knowledge or consent of a surety on the note is held to release the surety, in *Church v. Howard* (17 Hun. 5 (1879)).

So it was a material alteration to add the words "in gold coin". (*Wells v. Wilson*, 3 Oreg. 308 (1869).)

4. Municipal and State contracts

Power to make city bonds payable in gold coin is held, in *Judson v. Bessemer* (4 L.R.A. 742, 87 Ala. 240 (1889)), to be in-

cluded in the express and general power to a city to issue negotiable bonds, as this implies power to make them payable in any constitutional legal tender.

Following this case it is held in *Farson v. Louisville Sinking Fund Comrs.* (16 Ky.L.Rep. 856 (1895)), that municipal bonds are not invalid because made payable, both principal and interest, in gold coin of the United States without any especial provision for it in the act authorizing their issue.

Likewise it is held that under municipal authority to sell negotiable bonds for public improvements they could be made payable "in gold coin of the present standard weight and fineness", *Moore v. Walla Walla* (60 Fed. Rep. 961 (1894)), although a possible advance in the value of gold coin would make the city debt exceed the legal limit, while the city received its income in money of less value.

That city bonds may lawfully provide for interest payable in gold was also decided in *Pollard v. Pleasant Hill* (3 Dill. 195 (1874)).

But, on the other hand, bonds payable "in gold coin" issued by a levee district in Mississippi under a statute authorizing the issuance of bonds for \$1,000,000 were held in *Woodruff v. State* (66 Miss. 298 (1889)), to be void for want of authority to issue them. It is said that the legislative use of the term "money" must have meant that legal tender which constituted the basis of the general business of the country.

Even if a provision in a contract for a street improvement requiring the work to be paid for in gold coin is not authorized by statute, it will be ineffectual and therefore will not invalidate the contract in other respects. (*N. P. Perine Contracting & Paving Co. v. Quackenbush*, 104 Cal. 684 (1894).) (See also the main case of *Skinner v. Santa Rosa*.)

State railroad bonds payable on their face in gold and silver were sustained according to their terms, in *State v. Hays* (50 Mo. 34, 11 Am. Rep. 402 (1872)). It was decided that, although the legislature had directed payment in legal-tender notes, they were not sufficient to discharge the obligation. Yet as the State officers had been ordered by the statute to pay in these notes, the court would not issue a mandamus to pay in coin.

Where the governor was authorized to endorse railroad bonds on behalf of the State, which should bear 8 percent interest, it was held he might lawfully endorse such bonds bearing 8 percent interest in gold. (*Young v. Montgomery & E. R. Co.*, 2 Woods, C.C. 606 (1875).)

In a suit to enjoin the issue of municipal bonds "payable in gold or lawful money of the United States at the option of the holder", it was said in *Heilbron v. Cuthbert* (Ga.) (23 S.E.Rep. 206 (1895)): "No reason now occurs to us, nor was any stated, why it would be unlawful" to make the proposed bonds thus payable.

III. Implied contracts or obligations imposed by law

A. IN GENERAL

The fact that payment in coin was the only mode of payment recognized by law at the time a contract was made, and therefore the parties doubtless expected payment in coin to be made, is not sufficient to raise an implication that payment in coin is intended, whereby such payment may be enforced after the passage of the Legal Tender Act, if nothing in the language of the contract indicates an intent that payment shall be made in coin. (*Maryland v. Baltimore & O. R. Co.*, 89 U.S. 22 Wall. 105, 22 L.ed. 713 (1847).)

The fact that the consideration of a promissory note was a loan of gold and silver does not make it payable in coin unless expressly stipulated to that effect. (*Curiac v. Abadie*, 25 Cal. 502 (1864).)

The words "American gold", following the words "value received" in a promissory note, were held in *Hull v. Kohlsaat* (36 Ill. 130 (1864)) to be insufficient to show an intent to pay in gold.

In an action for services rendered without any agreement as to the price, the court refused to instruct the jury that they must not take into account the difference in value of currency. (*Spencer v. Prindle*, 28 Cal. 276 (1865).)

A policy of a mutual insurance company, providing for payment of losses as well as premiums in gold, does not imply a provision for payment of dividends declared upon such premiums in gold. (*Luling v. Atlantic Mut. Ins. Co.*, 51 N.Y. 207 (1872), affirming 50 Barb. 520, 30 How. Pr. 69.)

Judgment for duties on imports should be for gold. (*Sun Cheong-Kee v. United States*, 70 U.S. 3 Wall. 320, 18 L.ed. 72 (1866).)

So a State statute requiring taxes to be paid in gold or silver coin is not affected by the Legal Tender Act, as such taxes are not debts within the meaning of that act. (*Lane County v. Oregon*, 74 U.S. 7 Wall. 71, 19 L.ed. 101 (1868).)

B. BAILMENT AND CONVERSION OF COIN

The right to allowance for the depreciation of gold which was wrongfully withheld by a person holding it as security was allowed in *Gibson v. Groner* (63 N.C. 10 (1868)).

That a judgment for gold may properly be rendered in an action for conversion of gold was held in *Phillips v. Speyers* (49 N.Y. 653 (1872)).

In an action against an agent for the value of gold, where defendant admitted that the gold had been changed into currency, it was held that judgment might be rendered for the amount in currency which would be equivalent to the value of the gold. (*Greentree v. Rosenstock*, 61 N.Y. 583 (1875).) The court says, in respect to the validity of a stipulation for payment in gold coin, that the rule is perfectly well established in the case of express contracts, and that the principle extends to such cases as the

present, where the right to recover is based on an implied contract.

In an action against an agent who had collected in gold certain premiums due to an insurance company, it was held in *Independence Ins. Co. v. Thomas* (104 Mass. 192 (1870)) that a specific judgment should be rendered for gold coin and execution should be issued accordingly, on the authority of *Bronson v. Rodes* (74 U.S. 7 Wall. 229, 19 L.ed. 141 (1869)) and *Butler v. Horwitz* (74 U.S. 7 Wall. 258, 19 L.ed. 149 (1869)).

In an action by a guest against a hotelkeeper, for the theft of gold coin from a satchel which was delivered to the clerk of the hotel for safe-keeping, it was held that the guest was entitled to a judgment for the same amount in gold coin, and not for the currency value of the gold. (*Kellogg v. Sweeney*, 46 N.Y. 291 (1871), 17 Am. Rep. 333.)

In an action against a common carrier for failing to deliver a canvas bag containing 90 double eagles of the coinage of the United States, which it received for transportation, it was held in *Cushing v. Wells, F. & Co.* (98 Mass. 550 (1868)), that the recovery should be for \$1,800 with 30 percent additional as the amount of the premium since, under the Legal Tender Act, Treasury notes could be tendered in payment of the judgment.

C. BANK DEPOSITS

Since a deposit of gold in a bank without express agreement creates merely the relation of debtor and creditor, the depositor may be repaid in legal-tender notes unless there was an express agreement to the contrary. (*Gumbel v. Abrams*, 20 L. Ann. 568, 96 Am. Dec. 426 (1868); *Chesapeake Bank v. Swain*, 29 Md. 483 (1868); *Thompson v. Riggs*, 72 U.S. 5 Wall. 663, 18 L.ed. 704 (1867).)

And marking the character of the deposit as coin on the margin of bank books against the entry of deposit is insufficient to establish an express contract to repay the deposit in specie, where there is no proof that this was the purpose of the marking. (*Thompson v. Riggs*, supra.)

But evidence of usage may show a contract to repay a gold deposit in gold, though a usage of only 2 or 3 banks in a city is not enough. (*Chesapeake Bank v. Swain*, supra.)

In the absence of a binding contract for the payment of gold coin by a bank in which such coin was deposited, it was held that the depositor was entitled only to lawful money. (*Davis v. Mason*, 3 Oreg. 154 (1869).)

Also, that the custom of a single bank to repay gold deposits in gold was not sufficient to make it a part of the contract of deposit.

In *Kupfer v. Bank of Galena* (34 Ill. 328, 85 Am. Dec. 309 (1864)), it was held that a deposit in American gold in a bank which had a rule that a depositor could only draw for currency if he deposited currency constituted a special contract for the return of coin or its equivalent in value, and therefore the deposit could not be applied to checks for currency without allowing for the premium.

Where coin has been deposited as a specific article and not merely as money, its value is open to inquiry and may be ascertained by evidence, and allowance therefor in full be made in a judgment for converting it. (*Bank of State v. Burton*, 27 Ind. 426 (1867).)

D. ACCOUNTING FOR TRUST

An administrator is chargeable with the premium on gold or gold notes which he actually received, in addition to the nominal or face value of the paper. (*Cunningham v. Cauthen*, 37 S.C. 123 (1893).)

But an administrator who charges himself with cotton at a specified price in gold when gold is at a premium will not be required to add any percent on account of premiums received upon the notes taken for such cotton in an accounting when gold is at par. (*Cunningham v. Cauthen* (S.C.) 21 S.E.Rep. 800 (1895).)

An executor is chargeable only with the amount of gold purchased at a premium to satisfy a debt which was due in gold when at the time of his settlement gold was not at a premium. (*Re Sanderson*, 74 Cal. 199 (1887).)

So it is held in *re Shipman* (82 Hun. 108 (1894)) that an executor cannot be charged, upon final settlement, with a premium upon gold at the time it came into his possession. This decision was rendered when gold was not at a premium.

In *Halliburton v. Carson* (100 N.C. 110 (1888)) it is held that an executor is justified in paying a judgment on a bond payable "in United States coin", where it included the amount of premium on the gold, without further resisting the recovery, since this method of conversion of the debt in gold into another form was in accordance with the decision of that court in *Robeson v. Brown* (63 N.C. 554 (1869)), although it is said to be at variance with that of the Supreme Court of the United States, as shown by *Bronson v. Rhodes* (74 U.S. 7 Wall. 229, 19 L.ed. 141 (1869)) and *Butler v. Horwitz* (74 U.S. 7 Wall. 258, 19 L.ed. 149 (1869)).

A judgment for gold cannot be rendered on the bond of a surety which does not expressly provide for payment in that kind of money. (*Fox v. Minor*, 32 Cal. 130, 91 Am. Dec. 566 (1867).)

E. OTHER ACTIONS FOR DAMAGES

Where a person was required to discharge his debt in gold before he could rightfully take possession of certain property, but, without making such payment, wrongfully took possession, it was held that the damages must be the amount of his obligation in gold or its equivalent in currency. (*Gregory v. Morris*, 96 U.S. 619, 24 L.ed. 740 (1878).)

In a collision case the value of goods shipped from Canada, when estimated in Canadian currency, was held recoverable accord-

ing to the value of such currency in legal-tender notes. (*The Telegraph v. Gordon*, 81 U.S., 14 Wall. 258, 20 L.ed. 807 (1872).)

Judgments for trespass cannot be made payable in coin. (*Livingston v. Morgan*, 53 Calif. 23 (1878).)

Neither can a judgment for slander. (*Chamberlin v. Vance*, 51 Calif. 75 (1875).)

So, a judgment for costs cannot be made payable in gold coin in an action of forcible entry and detainer. (*More v. Del Valle*, 28 Calif. 170 (1865).)

In estimating damages on dissolving an injunction, the difference between gold and legal-tender notes cannot be considered. (*Riddlesbarger v. McDaniel*, 38 Mo. 138 (1866).)

Questions as to the form of judgment to be followed when a valid obligation to pay in coin exists and also as to the procedure to be followed in such cases, are considered in a note to *Belford v. Woodward* (Ill.), post.—

The consideration of all the authorities on the subject shows that since the case of *Bronson v. Rodes*, the validity of specific agreements to pay obligations in coin has been established, although one decision in Alabama in 1873, assuming to follow the so-called "Legal Tender cases", and ignoring the decision in *Bronson v. Rodes* (74 U.S., 7 Wall. 229; 19 L.ed. 141 (1869)), and others following, it adopted the contrary doctrine. All other decisions of both Federal and State courts rendered since those of *Bronson v. Rodes*, supra, *Butler v. Horwitz* (74 U.S., 7 Wall. 258; 19 L.ed. 149 (1869)), and *Teblicock v. Wilson* (79 U.S. 12 Wall. 687; 20 L.ed. 460 (1872)), sustain the validity of such contracts.

That the decisions of the Supreme Court of the United States effectually overrule as well as disapprove the decisions of the State courts to the contrary is shown by *Teblicock v. Wilson*, supra, in which it was expressly decided that a decision by a State court sustaining a tender of legal-tender notes on a contract providing for payment in specie was reviewable by the Supreme Court of the United States. Such decision by a State court was in fact reviewed and reversed in that case. The result is to establish the doctrine of the United States Supreme Court as the law in every State, whatever contrary State decisions may have been rendered. (B.A.R.)

MAINTENANCE OF CREDIT OF THE UNITED STATES GOVERNMENT

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to insert in the RECORD a resolution passed by the Senate and House of Representatives of the State of North Carolina commending President Roosevelt for his economy program, and the National House of Representatives for its promptness in approving the same.

The SPEAKER. Is there objection?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution passed by the Senate and House of Representatives of the State of North Carolina commending President Roosevelt for his economy program, and the National House of Representatives for its promptness in approving the same:

Resolution 25

A joint resolution of the North Carolina Senate (the house of representatives concurring) commending President Roosevelt for his economy program and the National House of Representatives for their promptness in approving said program, and urging the immediate passage of the economy measure by the United States Senate

Be it resolved by the North Carolina Senate (the house of representatives concurring), That the North Carolina Senate (the house of representatives concurring) commend President Franklin D. Roosevelt for his economy program and the National House of Representatives for their promptness in approving the same, and urge immediate passage of the economy measure by the United States Senate.

SEC. 2. That a copy of this resolution be furnished our 2 Senators and 11 Representatives in Congress.

SEC. 3. That this resolution shall be in effect from and after its ratification.

In the general assembly, read three times, and ratified, this the 16th day of March 1933.

A. H. GRAHAM,
President of the Senate.

R. L. HARRIS,

Speaker of the House of Representatives.

Compared and found correct.

R. P. BENDER
(For Committee).

STATE OF NORTH CAROLINA,
DEPARTMENT OF STATE.

I, Stacey W. Wade, secretary of state of the State of North Carolina, do hereby certify the foregoing and attached (one sheet) to be a true copy from the records of this office.

In witness whereof, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh this 16th day of March A.D. 1933.

[SEAL]

STACEY W. WADE,
Secretary of State.

AGRICULTURAL RELIEF

The SPEAKER. The unfinished business is the further consideration of general debate on the bill H.R. 3835, to relieve the existing national economic emergency by increasing agricultural purchasing power. The gentleman from Texas [Mr. JONES] has 45 minutes remaining, and the gentleman from New York [Mr. CLARKE] 46 minutes remaining.

Mr. JONES. Mr. Speaker, on both sides we have had a great many requests for time, more than we can comply with. I ask unanimous consent that the time for general debate be extended 1 hour and 30 minutes, one half to be controlled by myself and the other half by the gentleman from New York [Mr. CLARKE].

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, I yield now to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Speaker, I am and have been for years an Oregon farmer, living on my farm, raising wheat, sheep, cattle, and hogs on a large scale.

I have seen the happy, independent, well-to-do commercial farmer pass from the picture until more than 90 per cent today of those who produce the food and clothing are financially bankrupt.

Industry, transportation lines, banks, and merchants have lived off of and made their profits from the farmer. Now, when the farmer has no profit and is rapidly eating up his capital, there is nothing to divide; transportation lines, industry, and tradesmen are feeling the effect and the entire capitalistic civilization is crumbling about us.

The economic problems of production and income cannot be solved entirely by political action, but this Congress is pledged to enact all possible remedial measures. We have before us the administration's first bill to aid agriculture. This bill is not a cure-all. It is the first step and leads to new paths. The object of this bill is to raise the price of farm products.

The farmer does not raise clothing, machinery, and tax receipts. He raises wheat, sheep, hogs, and cattle. The difficulty comes when he attempts to trade his products for those other things he must have.

The little pieces of metal called gold from river bed and mountain ledge are so scarce and valuable that it takes often the entire product of a 10-acre field to exchange for a suit of clothes, often an entire fat beef to exchange for a pair of shoes. The measuring stick is so long when it measures our products and so short when it measures those one must buy.

Overproduction is a cruel word when we think of the millions cold and hungry in our midst. If all could have work at a reasonable wage, the granaries would soon be emptied, the shelves in the stores would soon be bare, and the wheels of industry would soon turn with a welcome sound. In the meantime, one must not forget that the products of 40,000,000 acres of American soil formerly found their market on foreign shores. That market has failed. The foreign nations no longer buy our farm products. To give our protected industries a higher home market we have erected tariff walls so high that the foreign consumer has ceased trading with us. Trade is a mutual arrangement. If we do not buy, we cannot sell.

This bill gives the Secretary of Agriculture the right to rent from the farmer these 40,000,000 acres, or any part thereof, and remove them from production, allowing many acres to be used for forestry, some to lie fallow, and other acres to be given to people in our breadlines so they may grow their food and will not be obliged to accept it from the hand of charity.

Assuming an average rental of \$5 per acre be paid by the Government for this land, or \$200,000,000—not a large sum to accomplish something toward reviving a basic industry—adding \$50,000,000 for operation and contingencies, we have a total of but one half of the amount given to the Farm Board 4 years ago.

In paragraph 1 of section 8 of the bill, the powers granted the Secretary of Agriculture are so broad that he is given the right to decide whether the benefits shall come from "rental or benefit payments in connection therewith." The Secretary may pay so much a bushel for corn and wheat or so much a pound for sheep, cattle, and hogs to those who voluntarily come under its provisions.

Paragraph 3 of section 8 is the licensing provision. It is the essence of the contract, it is "the heart of the covenant." Under its wise use I expect to see the unreasonable profits of many a middleman decreased. Why is bread cheaper in France than in the United States when the French farmer is receiving three times as much for his wheat as the American farmer? Possibly because many a processor is trying to pay interest and dividends upon an old and obsolete plant that should have been junked long ago.

The right to issue and to revoke a license is a broad and sweeping power. Under it the Secretary of Agriculture will have his hand upon the products of the fields until they reach the ultimate consumer. It is said that the American farmer receives but one third of the price paid by the consumer of his products, the processor, the trade, and transportation agencies taking two thirds. Under the licensing provision the farmer's share will be materially increased because the Secretary will have the right to adjust costs and he will correct many a wrong.

Like other farmers, I want to know why bread must sell for the same prices, whether wheat is a cent a pound or a half cent a pound. Should this bill become a law it will be the first time in all history when a sympathetic agency of the Government has been given the right to correct economic injustices in the process of moving products from the farm to the consumer.

Section 9 of the bill provides in a most reasonable manner for raising the money to pay the rent or benefit payments.

Why should the farmer not have cost of production with a reasonable profit? Who should pay it? Why, of course, the consumers of the products.

For a long, long time the farmers of America have been producing food and clothing materials at a severe loss, often at one third of the actual cost. At no other point can that charge be so justly and so easily collected as from the processor. Will he pass it on the consumer? Yes, in many cases; and why not? In all conscience, the consuming public cannot expect the farmer to produce his food and clothing at a loss and still be able to purchase the products of industry; to pay the interest on which banks, insurance companies, and capitalists depend; and to help to maintain the Government by paying an inordinate share of the taxes.

We farmers are not dreaming of war-time prices. We hope to realize approximately the same prices, in exchange value, which we enjoyed just before the war, from 1909 to 1914—in the days when we drove horses and could pay our debts.

We plead with you who represent districts that have enjoyed the stimulating effect of a protective tariff for more than a century to vote with us so this bill may be enacted into law, so we may have the machinery of Government to assist us in securing better prices for the fruits of our labor. Under the terms of this bill no excessive salaries can be paid, a maximum of \$10,000 being fixed. Nothing in the history of the Farm Board created such bitter criticism as did the outrageous salaries paid for executive positions.

The commodities regulated by this bill are wheat, corn, cotton, cattle, sheep, hogs, tobacco, rice, milk. I wished to add wool; others wanted potatoes included. Perhaps it is better to start with a limited number of products. The Secretary is given the right to drop any one or more of the products now included. He may choose to start with but 3 or 4 commodities. An objection is met under paragraph (b) of section 15, under which the small farmer is protected in his right to sell products directly to consumers up to \$100 annually.

We are on new and untried ground. Success depends largely upon the cheerful acceptance and willing compliance of processor, producer, and consumer. If we were

so unfortunate as to have in the White House an unsympathetic Executive or as Secretary of Agriculture one who knew little or cared less about our troubles, there would be grave doubts as to the wisdom of this legislation. No one can question the desire of Franklin D. Roosevelt to lift prostrate agriculture, nor the desire of Henry Wallace, Secretary of Agriculture, to help to place the American farmer in a more secure and happy position.

By making this bill a law we pass into the hands of the administration great discretionary powers. Indeed, it is power to wreck or to build. This act must be followed by others which will give the farmer lower interest rates on the money he must borrow from Government or private lender. The industry cannot be carried on at the rates now exacted. It must be included among the most-favored classes in the matter of financing. Farmers must be refinanced under Government aid or supervision so that mortgages may be renewed over longer periods of time at rates not exceeding the increase of wealth, about 2 percent. We must have lower taxes on property. We must follow this with an unemployment law that will provide a job for every worker in this broad land at a decent living wage.

To the end that we may permanently have higher prices, we must have more basic money. If we cannot now provide a commodity dollar and controlled currency, then we must use silver, making it easier to trade with silver-using countries.

It is apparent that this important bill is but the beginning of the program for the rehabilitation of agriculture, but it is unquestionably our only safe starting point. Let us give it our support. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, yesterday a message was sent to the House by the President of the United States offering a program of employment. I suggest to my Democratic friends that before putting the proposals of that message into effect they avail themselves of the full possibilities of section 10 (a) of this bill. That is the section of this measure that permits of the employment by the Secretary of Agriculture of any number of deserving Democrats indefinitely without civil-service examination or any adaptability to the work whatsoever. That permission is so broad and general that I do not see any need for the message that came in yesterday from the President. The only limitation in the provision in this bill is that the salaries shall be from \$10,000 downward.

Nothing is said, of course, about the 15 percent cut. I think those deserving Democrats undoubtedly will get the full \$10,000 without the 15 percent reduction, and to be a little more specific in that connection I call the attention of the House to remarks made by the gentleman from South Carolina [Mr. FULMER] yesterday. I was about to refer to him as the author of the bill, but everyone knows that he is not the author, though he introduced the bill. I read the paragraph from his speech on page 675 of the RECORD:

When this bill was sent to the House, and in speaking with the Secretary of Agriculture about proposing some changes, he stated that he did not want any changes in the bill, because if any were made he would have to submit the same to the President.

My inquiry of the gentleman from South Carolina is whether that is to be the policy of this House under Democratic control, whether any change, the dotting of an "i" or the crossing of a "t" must be submitted to the President of the United States before it can be considered on this floor? A further inquiry is whether the policy laid down in this bill, namely, that these men, thousands of them, shall be appointed by the Secretary of Agriculture without civil-service requirements, was in the bill when submitted to the President of the United States, and whether he agreed to that policy. I shall be glad if the gentleman from South Carolina [Mr. FULMER] will answer those inquiries. I do not see that he is disposed to do so.

Mr. FULLER. I can answer them.

Mr. TREADWAY. Oh, no; I ask the gentleman from South Carolina, who made the remarks, to answer them. I have no doubt that the gentleman's answer might be a good one, but I should like an authoritative one from the gentleman from South Carolina.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. BRITTEN. My impression of the answer would be this, that the bill originally contained a provision providing for only civil-service employees.

Mr. TREADWAY. That is correct.

Mr. BRITTEN. To be selected in the usual way.

Mr. TREADWAY. With a limitation on the salary of \$7,500.

Mr. BRITTEN. Then a distinguished Democrat from Chicago called on the Agricultural Committee, and had that language taken out of the bill in the interest of partisan politics.

Mr. TREADWAY. I agree with the gentleman from Illinois [Mr. BRITTEN].

Mr. BYRNS. Will the gentleman yield?

Mr. TREADWAY. Yes. I yield to the majority leader.

Mr. BYRNS. If the gentleman holds those views, why did he not express them at the last session of the Congress, when the President handed in his recommendation establishing the Reconstruction Finance Corporation and the Home Loan Bank Corporation?

Mr. TREADWAY. May I ask the gentleman whether he received any word from the then President that we must not make any change in the bill on the floor of the House?

Mr. BYRNS. But he did not recommend that those employees be appointed under civil-service regulations?

Mr. BLANTON. And there were 16,000 of them.

Mr. TREADWAY. Has the gentleman ever seen a recommendation come from a Republican President stating that no change whatsoever should be made in the language of a bill without its being submitted to the President, or was there ever a time when we put on such a gag rule as you adopted here yesterday?

Mr. BYRNS. Do I understand the gentleman is abandoning his criticism of the Civil Service regulation?

Mr. TREADWAY. I have seen some rules in my 20 years' service in this House, but you beat them all, even though we instructed you how to draw them. We never put in any such phraseology as was adopted here yesterday.

I do not hear that my main question has been answered.

A few days ago I made a parliamentary inquiry of the Speaker—

Mr. BULWINKLE. Will the gentleman yield?

Mr. TREADWAY. If I am assured of more time. I have not even started on my talk yet. I will yield to the gentleman.

Mr. BULWINKLE. I just wanted to remind the gentleman that on the Veterans' Committee, of which I was a member for years, on several occasions we could not report a bill from that committee unless it met with the approval of the President and unless we brought it to the floor of the House under suspension of the rules where no amendments could be passed.

Mr. TREADWAY. That is news to me, and I have been here during the entire time of the passing of veterans' legislation.

Mr. BULWINKLE. It is not a particle of news to anyone who was a member of the Veterans' Committee.

Mr. TREADWAY. Now, I cannot yield further. My time is running.

I called the attention of the Speaker to what appeared to me to be a reason why this measure should have been submitted to the Committee on Ways and Means. This becomes still more apparent as one studies the bill.

In the brief time allotted to me I wish particularly to dwell upon the so-called "processing tax." The jurisdiction of the Ways and Means Committee has certainly been usurped in having the Committee on Agriculture pass upon such provisions as these. I call attention to the fact that in the last Congress, through Democratic votes, an equitable sales tax limited to 2¼ percent and applicable to practi-

cally all purchasers was defeated. Today, however, Democrats who voted against that measure will be whipped into line under the party lash to support the most inequitable tax provision that I have ever seen suggested in my 20 years in Congress. It seems astonishing to me that the men who are about to vote for this bill today can change face so quickly, in view of their opposition to the manufacturers' excise tax in the last Congress.

The earmarks of an impractical college professor are plainly apparent in the language of section 9, known as the processing tax. I call upon him and his assistants to explain how anyone can arrive at "the difference between the current average farm price for the commodity and the fair exchange value of the commodity" in order that such value "will give the commodity the same purchasing power, with respect to articles farmers buy," as during the pre-war period 1909 to 1914. It seems to me it would be very necessary to make an extensive list to define what farmers buy. If one will go through my district in western Massachusetts and call upon the farmers in their comfortable homes he will find pianos, radios, and in the garages automobiles for pleasure driving as well as for business purposes. Neither farmers nor anybody else bought radios in 1909. Will the author therefore explain how the comparative value will be designated?

There are mighty few things that in some part of the country farmers do not buy. In another place in the bill rayon is referred to. Rayon was not manufactured at the time these comparative prices or values are supposed to be set up.

Our college professor also could very well be asked to explain paragraph 4, which reads:

Other relevant data as to changes in the cost of living of consumers, consumers' buying habits, and current and prospective conditions in industry pertinent to determining the probable effective demand for the commodity.

"Consumers' buying habits" certainly is new language in legislation and will require better brains to define than I think are contained in the head of the author of the section. Also, somebody must determine "the probable effective demand" for the commodity. He must not only be a wise man but a prophet in looking into the future as to "the effective demand" of the commodity. Many men chasing rainbows and having in their own minds marvelous ideas to patent would be gratified to be able to establish this prospective demand.

And so practically every section of the bill can be analyzed to show its absurdity, impossibility, and impracticability.

But of greater importance, perhaps, than any other section is section 17, by which an exporter of any article that has paid the processing tax is to have the amount of the tax refunded to him.

Any basic commodity processed in this country would be required to pay the tax specified in the bill, but any basic commodity exported or any processed goods exported are tax-exempt. I call the particular attention of the House to the consequences of this exemption. No bill was ever drafted that more seriously hurt consumers in industrial centers than this proposed legislation. As this is a very special tax, it will, of course, be levied entirely upon consumers. I hate to think of the consumers working in the cotton mills of Gastonia, N.C.; in Lowell, Fall River, and New Bedford, in my State; in North Adams, Pittsfield, and Holyoke, in my district, being placed at a disadvantage in cost of living over the manufacturer or the consumer working in the mills of Birmingham and Manchester, England. Do you in the Congress of the United States want to show this discrimination against our home folks? There is no end to the number of questions and criticisms that suggest themselves.

Our mills are also in competition with European mills for the trade of the Orient, China, and Japan. The European mills, not paying the processing tax, would have an additional advantage in the cost of production which would be reflected in the prices made to China and Japan. We are trying to build up an oriental trade, but such legislation as this would destroy it.

This one proposition should condemn this whole legislation in the minds of the thinking people of the United States and cause every Representative on this floor to stop, look, and listen before he votes for a bill so absolutely unfair to our own people.

(His time having expired, Mr. TREADWAY was granted 5 additional minutes by Mr. CLARKE of New York.)

Mr. TREADWAY. On Monday the majority leader, Mr. BYRNS, asked unanimous consent that the Rules Committee have until 12 o'clock Monday night to bring in a rule for consideration of the agricultural bill. He also said, "I think the time for hurried action on these bills has passed, to an extent, at least."

At the same time he asked that the Committee on Agriculture have until midnight Monday night to report upon this bill.

I am not aware of the gentleman's conception of haste, but just how he can make those requests and say that the bill is not now being railroaded through this body requires a stretch of the imagination or a revision of the definition of plain English words. To have a bill presented to this House one day, considered by a committee supposedly until midnight, and a rule prepared in advance for its immediate consideration, beats any steam-roller procedure on a controversial matter that we have ever experienced here. I admit it is the day of a "new deal" but let us deal fairly, squarely, and considerately, with some appearance of calm judgment.

The Republicans have gone along in the emergency program, but as the Representative of the people of my district I, for one, have reached my limit. I represent an agricultural district and a consuming district, and in behalf of both types of constituents I condemn the measure before us. At least, the President is fair and does not advocate this legislation 100 percent as he has with his previous recommendations. I quote from his message. He says:

I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

The difficulty of trying it out on the poor consumer is that his purse will be empty before a sufficient trial has been made to convince the advisors of the President that the scheme is absolutely chimerical, unworkable, and unfair. It was the last straw which broke the camel's back, and this last recommendation of the President will break the back of the country. Even the Secretary of Agriculture, who may have inherited some knowledge of the subject from his distinguished father, does not whole-heartedly endorse the bill, for he says:

The next step was to give these recommendations legal form. Because of the constitutional problems we found this exceedingly difficult, and it was not until day before yesterday—

That was last Thursday—

that we were sufficiently satisfied with the job to pass it on to the President.

Again, the Secretary says:

This bill attempts a major social experiment. It looks toward a balanced social state. It is trying to subdue the habitual anarchy of a major American industry and to establish organized control in the interest not only of the farmer but of everybody else.

Bear in mind that the Secretary's own comment is that the bill is an experiment in an effort to bring about a balanced social state, trying to subdue habitual anarchy in a major American industry. It is news to me that any anarchy exists among our good farmer citizens. We have recently heard a great deal about communists and other agitators, but the Secretary of Agriculture is the first I have heard to classify American farmers as habitual anarchists.

I desire, however, largely to direct my remarks to my strong opposition to the tax proposals found on pages 8 and 9 of House bill 3835.

These proposals constitute a delegation of the taxing power to the Secretary of Agriculture. The question at once

arises as to whether such delegation as carried in this bill is constitutional.

In the recent case of *Hampton & Co. v. the United States* (276 U. S. 406), which involved the delegation to the President of the power to raise or lower tariff duties within certain limits, Chief Justice Taft laid down the following rules:

If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform, such legislative action is not a forbidden delegation of legislative power.

The question, then, becomes one of whether an intelligible principle is laid down for the guidance of the administrative officer. Under the bill, the Secretary is given the power to impose a tax on the first processing of certain basic agricultural commodities, and the amount of the tax is to be determined by him upon the basis of indefinite and general rules which no one can interpret and which no two persons would interpret in the same way.

The delegation of the taxing power, therefore, does not come within the rule laid down by the Supreme Court of the United States.

The tax on the first processing of a commodity is to equal the difference between the current average farm price and the "fair exchange value" of the commodity. What is the fair exchange value? It is defined as the price which will give the commodity the same purchasing power with respect to articles which farmers buy as it had in the pre-war period from August 1909 to July 1914.

What does this mean? The Secretary of Agriculture, in his recent radio address, stated that it meant raising the price to the pre-war level. The language of the bill, however, is susceptible of a different construction and is therefore uncertain.

Raising the price of wheat to the pre-war level will not give it the same purchasing power it had then because what the farmer purchases now and what he purchased then are entirely different. Of course the bill permits the Secretary of Agriculture to make adjustments based on the cost of living, consumers' buying habits, unemployment, and so on, but no definite rule is laid down, and the Secretary has absolute discretion in the matter.

Giving an administrative officer absolute discretion does not constitute the laying down of an intelligible principle, such as is required for the constitutional delegation of the taxing power. It is an absolute abdication of the power of Congress to lay and collect taxes.

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, not only did the distinguished gentleman from Massachusetts, who has just taken his seat, but some others, in the course of this debate, have a good deal to say with reference to the feature of this bill exempting from the ordinary operation the provisions of the civil-service law as affecting some of these men to be appointed under this bill. It seems that this is a particularly sensitive nerve to some of the gentlemen on the minority side, and I am not surprised at it.

Mr. Speaker, in February the present distinguished Speaker of the House of Representatives, before he had been elevated to that position, became somewhat curious as to how the administrations of Harding, Coolidge, and Hoover had acted with reference to this civil-service proposition from the standpoint of taking care of deserving Republicans. He requested the secretary of the Civil Service Commission to furnish to him a list of the classes of the deserving holding offices who had, by Executive orders, been blanketed into the civil service and thereby made permanent in the occupancy of those jobs.

I ask unanimous consent, Mr. Speaker, to incorporate in the RECORD at this point the reply of the secretary of the Civil Service Commission giving these statistics.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. BANKHEAD. Under reservation of objection?

Mr. SNELL. No; not under reservation of objection; I shall not object. Will the gentleman include in this list the

number of men President Wilson made the same provision for?

Mr. BANKHEAD. I desire to continue my argument. I have not the facts with reference to President Wilson.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The matter referred to follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D.C., February 18, 1933.

HON. HENRY T. RAINEY, M.C.,
House of Representatives.

MY DEAR MR. RAINEY: In response to your request of February 9, 1933, I am sending you herewith a table showing the dates of the Executive orders issued by President Harding, President Coolidge, and President Hoover, bringing positions and their incumbents into the classified service. As stated to your secretary over the telephone, it is not possible to furnish information as to the salaries of the persons affected by these orders without considerable search of the records.

By direction of the commission.

Very respectfully,

E. C. BABCOCK, Secretary.

TABLE 1.—UNITED STATES CIVIL SERVICE COMMISSION
Table showing groups of employees brought into the classified service by Executive order during the administrations of Presidents Harding, Coolidge, and Hoover

President	Date	Department	Position	Number
Harding				None
Coolidge	Aug. 29, 1924	War	Aeronautical engineers, aeronautical mechanical engineers and chemists.	36
Do.	Oct. 11, 1924	War—Army transport.	Miscellaneous positions, nonclerical.	236
Do.	Jan. 26, 1926	Post Office	Village carriers.	418
Do.	Apr. 24, 1926	Commerce—Foreign and Domestic.	Special agent.	1
Do.	May 19, 1926	Interior	Park rangers.	1
Do.	June 2, 1926	Interior—Indian Service.	Positions in Five Civilized Tribes boarding schools.	62
Do.	Sept. 15, 1926	Justice	Chief deputy marshal.	1
Do.	May 18, 1927	Post office, Dayton, Ohio.	Telephone operator.	1
Do.	June 6, 1927	Interstate Commerce Commission.	Senior examiner.	1
Do.	July 15, 1927	Panama Canal—Washington office.	Inspecting engineer and inspectors.	20
Do.	Sept. 12, 1927	War	Cable engineers, electricians, and foremen.	29
Do.	Sept. 30, 1927	Post Office	Laborers at first and second-class offices.	548
Do.	Nov. 5, 1927	War	Civilian employees for the proper care of sick officers and soldiers in Army hospitals.	160
Do.	Feb. 15, 1929	Treasury—Engraving and Printing.	Press helper.	23
Total				1,537
Hoover	Oct. 4, 1930	Commerce	Shipping commissioners.	14
Do.	Jan. 30, 1931	Interior	Advisers—Indian Service.	6
Do.	Apr. 23, 1931	Veterans' Administration.	Employees, excepting inmates, of National Homes for Disabled Volunteer Soldiers.	1,635
Do.	May 15, 1931	Navy	Various groups, Philippine service.	115
Do.	do	War	do	59
Do.	June 3, 1931	Veterans' Administration.	Attorneys.	193
Do.	Aug. 10, 1931	Interior	Superintendents or officers in charge, national parks or reservations.	13
Do.	Jan. 15, 1932	Commerce	Miners—Bureau of Mines.	36
Do.	Feb. 2, 1932	Justice	Various groups.	231
Do.	Mar. 10, 1932	Commerce	All employees in Foreign and Domestic Commerce in the continental United States, Alaska, Hawaii, and Puerto Rico, heretofore excepted from competitive examination, except director and assistant directors of bureau.	147
Do.	June 21, 1932	Treasury	Mounted inspectors—Customs Service on Mexican border. ¹	170
Do.	Aug. 18, 1932	Agriculture	Assistant to Secretary.	1
Total				2,620

¹ Pending for character examination.

TABLE 2.—Number of persons excepted from requirements of civil-service rules by special Executive orders during the administrations of Presidents Harding, Coolidge, and Hoover

Harding	79
Coolidge	207
Hoover (to date)	116

TABLE 3.—Total number of persons blanketed into the classified service during the administrations of Presidents Harding, Coolidge, and Hoover

Harding	79
Coolidge	1,744
Hoover (to date)	2,736
	4,559

Mr. BANKHEAD. The Democrats are not complaining about what Mr. Wilson did.

The aggregate of these statistics, Mr. Speaker, shows what was done under these three Republican administrations, and I have no doubt it was done for no other purpose on earth—and it may have been a laudable political purpose—except to guarantee the perpetuation in office of these Republican officeholders under Executive order. I want the Members to read this list as it will be published in the RECORD tomorrow, because it will disclose some very interesting information. Those three Presidents, by blanket Executive orders, covered into the civil-service system, so that they could not be disturbed when a Democratic administration came into office, 4,559 employees.

Now, this bill about which so much complaint has been made does not provide in its terms that the Secretary of Agriculture shall not consider the possibilities of appointing men from the civil-service list. It only gives him that discretion, and I want to say of those, as the gentleman from Massachusetts has used the term, "deserving Democrats", that surely, inasmuch as it appears that nearly all the people of this country are now Democrats, as indicated by the election last November, there ought to be, in my opinion, quite a number of deserving Democrats appointed; and the gentleman must remember that we have had 12 long, lean, and hungry years [laughter] in this country. I may say further, expressing merely a personal opinion, that of all the institutions of this Government, the administration of the provisions of the Civil Service Act, not the theory of the act but its practical administration, is the biggest fraud in the Government of the United States [applause], and I am tempted to say that if I had the privilege of doing so I would vote this morning to abolish the whole system [applause] because of the fraudulent administration of it.

I may say I do hope and pray, adopting somewhat the spirit of old Andrew Jackson on these propositions of rewarding the faithful, inasmuch as we have so many faithful and so many deserving, that we will not be limited in some of the new offices that are to be filled to merely the crumbs that fall from the table, but that we may have some of the loaves and the fishes, and that the rights and interests of really deserving Democrats will not be forgotten. [Applause.]

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. SNELL. I have no doubt about the Democrats' taking the jobs.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield to the gentleman from Texas [Mr. PATMAN] such time as he may desire.

SUPPORTING FARM BILL

Mr. PATMAN. Mr. Speaker, I am glad to support the President of the United States in his effort to help the farmers. I expect to support this bill. It does not contain many of the features that I would embody in such a bill if I were drawing it, but in this emergency I am willing to submerge my personal views and accept the best plan for farm relief that we can get enacted. It is a grant of powers rather than a restriction of powers. It does not compel the adoption of one plan for the farmers but permits the adoption of either of many plans.

TAX BURDEN

One of the greatest problems confronting the farmer is the tax burden. The Federal Government does not levy a

tax burden on land, buildings, or improvements. Very few, if any, real farmers pay an income tax. Therefore the tax burden on the farmer is levied by the local, district, county, or State authorities. Congress cannot pass a law lowering the farmer's taxes, because Congress has not levied a tax against him. Congress can pass laws which will cause an expansion of the currency and make the farmer's taxes and other debts easier to pay—in other words, cause the dollar to return to approximately its purchasing power as of the date the debt and tax burdens were contracted. The farmer's tax and debt burden is from 100 to 500 percent greater now than it was in 1929, measured in the commodities that he has to pay his taxes and debts with. Money has been made scarce and high. As money goes up in price, commodities, services, wages, and everything else, except where prices are fixed, go down in price.

FIXED PRICES

Freight rates on the farmer, measured in his commodities, have increased from 100 to 500 percent. All fixed prices like telegraph, telephone, gas, water, electricity have increased on the farmer in a similar manner and to the same percentage. Practically all the machinery purchased by the farmer, including cultivating and harvesting machinery, is sold to the farmer at a fixed price and at the same increased burden. There is only one way of decreasing these burdens on the farmer, and that is by expanding the currency. Congress can do that by carrying out the mandate in the Constitution of the United States which says, "Congress shall coin money and regulate its value." At the present time the big bankers have a monopoly on this great privilege. It should be taken away from them.

INTEREST CHARGES

The farmers owe on their farms approximately \$9,000,000,000, which is about the same amount that the people in New York City owe on their homes and other real estate. The farmer is paying from 6 to 10 percent interest on these loans. This debt, measured in the commodities produced by him, has increased from 100 to 500 percent. Instead of paying 6 to 10 percent interest he is in effect paying from 12 to 50 percent interest.

FARMERS BACKBONE OF THE NATION

The Government has come to the aid and rescue of the railroads, banks, and other big business interests of the Nation. As a matter of common justice it should pledge its credit to help the people who are the backbone of this Nation. The farmers and wageearners build our country in time of peace and save it in time of war; they are now in distress; they have not caused this distress to come upon themselves; it has been brought about by the control and manipulation of money and credits over which they had no control.

ONE PERCENT INTEREST RATE ON FARM LOANS

Steamship companies have been furnished money by the Government for one eighth of 1 percent annual interest, which is 12½ cents for the use of \$100 for 1 year; brokers and speculators use the credit of the Nation and do not pay over \$1 for the use of \$100 for 1 year, or 1 percent annual interest. The Government can pledge its credit for the benefit of the farmers and reduce their interest rates to 1 percent annual interest. This should be done without delay after the mortgages have been scaled down in accordance with present values.

FREIGHT RATES

Agricultural products represent 10 percent of the tonnage hauled by the railroads. Your idea of justice will probably dictate to you that they should pay 10 percent of the gross income of the railroads. Instead they pay 20 percent of the gross income of the railroads. Why the discrimination? The answer is simple and easy. A few powerful New York banks control practically all the railroads of the country through interlocking directorates. They obtain discriminatory freight rates in favor of the class of freight that they are financially interested in. They are not interested in the farms or the products produced on the

farms. Many people think the Interstate Commerce Commission sets the freight rates.

HOW FREIGHT RATES ARE CHANGED

Procter & Gamble, of Cincinnati, the concern that is spending considerable money advising the people through advertisements to "Buy American" is interested in converting cottonseed oil into cooking compounds and soaps. Cottonseed oil is extracted from cottonseed and it is used to make the best edible products of any oil produced in any part of the whole world. The directors of Procter & Gamble are also directors of the principal railroads which lead into the South and West where cottonseed is produced. Procter & Gamble also use coconut oil—not one drop of it is produced in America—in competition with cottonseed oil, to make many of their manufactured products. They use this cheap, inferior oil to beat down the price of cottonseed oil. They have obtained special freight rates over the railroads for coconut oil. From New Orleans and from other points to Cincinnati the freight charges on a car of coconut oil are \$90. Whereas if cottonseed oil is put into the same car, instead of coconut oil, and transported over the same railroad, under the same conditions, same weight and everything, the charges are \$180. It was an easy matter for Procter & Gamble to get this special discriminatory freight rate. All they had to do was to get the directors of the railroad to agree to it, and having a director on the railroad board, who had probably accommodated the other directors when their particular industries were involved, their task was not a difficult one. After the agreement the Interstate Commerce Commission is not consulted. Notice is given that in 30 days the rate will be effective. It will become effective in 30 days. That is the law. If some farmer in the South desires to protest he can hire himself a lawyer, make his appearance before the Commission here in Washington, and enter a protest. The procedure is so cumbersome and expensive very few protests are ever made against such rates.

I wonder if this great "Buy American" concern is going to buy American-produced cottonseed oil in the future or will it continue to import the cheap, inferior coconut oil, that is produced with pauper labor of other countries.

INTERLOCKING DIRECTORATES

The directors of the Chase National Bank of New York hold 2,023 directorships in banks, insurance companies, manufacturing concerns, transportation companies, and utilities in the United States. The National City Bank directors hold directorships in 4,019 such concerns. Both extend into foreign countries and sometimes it is to their interest to help the foreigners in preference to Americans.

OVERPRODUCTION NOT THE CAUSE; IT IS UNDERCONSUMPTION

The purchasing power of the farmer has been reduced not on account of overproduction but on account of underconsumption. Prof. G. F. Warren, professor of agricultural economics and farm management of Cornell University, has exploded the idea entertained by a few that overproduction is the cause of the farmers' troubles. His investigation discloses that for 75 years before the war the production of food and feed crops in the United States increased at the compound rate of 3.02 percent per year. From 1915 to 1929 it increased only 0.6 percent per year. Professor Warren has pointed out that if correction is made for the reduced number of horses and mules, the rate of increase is 1.17 percent per year; that there have been surpluses and shortages of some crops owing to the weather, but there is no evidence of general overproduction. Professor Warren further shows that total production of all commodities per capita in the United States increased for 75 years before the war at the rate of 1.73 percent per year, but from 1915 to 1929 increased only 0.64 percent; for 75 years before the war world physical volume of production of all basic commodities rose 3.15 percent per year. Since 1915 the rate has been distinctly less. Instead of the phenomenal increase in output which is popularly imagined, the rate of increase in output has declined. Stocks in some cases are piling up be-

cause of unemployment; but these are results of the depression rather than its cause.

VALUE OF ALL FARM CROPS IN UNITED STATES

While the farmers are producing about the same amount each year their gross income is less each year since 1929. The total value of all farm crops for each year since 1929 is as follows:

1929	\$10,100,000,000
1930	7,800,000,000
1931	5,500,000,000
1932	4,000,000,000

IS A TAX IMPOSED?

It makes no difference to the consumers whether they are required to pay for manufactured products a price based upon 12-cent cotton and \$1 wheat caused by short crops or whether it is caused by the Government artificially regulating the price. It is in the interest of all the people that buying power be restored to the farmers.

INCREASE WHEAT AND COTTON PRICES

The argument is made that an unbearable burden will be placed on the consumer if the price of cotton and wheat is increased. Let us see how much there is to this argument.

In a 5-cent package of crackers there is wheat worth one eighth cent, and the retail price of 5 cents for this article is the same now as when wheat sold for over \$1.65 a bushel. In a loaf of bread, at the present starvation price of wheat, there is wheat worth three eighths cent. How about cotton? For the cotton in a \$1 shirt the farmer only receives three fourths of a cent at the present price. We simply ask that the planter get 2 cents to 2½ cents for the cotton that is in a \$1 shirt and the wheat grower from 1¼ to 1½ cents for the wheat that is in a loaf of bread.

BILL LONG STEP IN RIGHT DIRECTION

This bill is a long step in the right direction. It does not go far enough. I believe that it will help the farmers if it is properly administered—and I have confidence in the Secretary of the Treasury, who is charged with the duty of administering it. The next thing we should do is to expand the currency so everybody will be helped, including the farmers.

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. GUYER].

Mr. GUYER. Mr. Speaker, one half of my constituency is directly engaged in agriculture and all of it is intensely interested in its prosperity.

I regret that I cannot vote for this bill in the form that it is in at this time. If it appealed to me as for the benefit of the farmer, I certainly would; and I hope when it comes back to this House it will be so amended that we can conscientiously support it; but this measure puts a policeman on every farm, an inspector at every crossroad, and a Government agent in every back yard, if it is carried out the way it is written. How far from Jefferson's good old democratic axiom, "That country is governed best that is governed least!"

Mr. FULMER. Will the gentleman yield?

Mr. GUYER. No; I have not time.

I am not objecting to reasonable recognition of these deserving Democrats. I agree to some extent with the gentleman from Alabama [Mr. BANKHEAD] that they deserve these places [applause], and I have great sympathy for the Democratic Congressmen and Senators who today are besieged by these fellows in these depressed times.

The thing I would like to see done and what I think the farmers of this country have in their minds is that they should have relief from the mortgage situation, interest rates, and taxes, above all things, and that this should occupy the time of the House instead of this bureaucratic bill, which is so multitudinous in its detail that I cannot understand how it can ever be administered.

We have a distinguished editor out at Emporia by the name of William L. White, and he has facetiously referred to the difficulties of administering this bill, or to one part of it, and I am going to read this into the Record.

Mr. White writes under the title "Persuading the Hogs":

Their farm plan is to be based on a subsidy for those who voluntarily control production, which is easy for the small grain farmer. All he will have to do is to cut his acreage. But it is also to be applied to hogs. Now, when you undertake to teach a hog to control his production—gentlemen, let me speak plainly—you have a job on your hands. We are glad, in a way, that it is a Democratic administration which will be charged with carrying it out. They have all the fire, the enthusiasm, the idealistic confidence of youth. Let them learn, say we.

We do not deny that there are many eloquent arguments for voluntarily controlled production which will appeal to the enlightened self-interest of an adult hog. But what is to be done with the young sow of subnormal intelligence and bad home environment? Or the headstrong individualist who would set her own impulses above the somber judgment of the Democratic Party and insist on having 8 or 10 little piggies in the litter instead of the allotted 6?

[Laughter and applause.]

We assume that in this kind of a litter only six would be safe for the subsidized home market and the rest would be chalk-marked by the inspector for the Democratic board of hog temperance and morals as destined to be slaughtered for export and dumped on an unprotected and unsubsidized world market. But is this not a cruel and barbaric penalty for society to exact from motherhood for one little mistake?

[Laughter.]

Democratic county chairmen should use great care in selecting the thousands of Federal inspectors who will ride in Government cars from farm to farm charged with controlling hog production. They should be, of course, men of unquestioned integrity. But they should temper justice with mercy. They should remember their own youth. Let him who is without sin cast the first stone.

[Laughter and applause.]

Now, I have been going along with the President. I have high admiration for him. I want to work with him. I have voted so far for everything but the beer bill, and I cannot vote for this measure. So I am going to put these together—one of them inspired by thirst for booze and the other by hunger for pie.

Lest I forget it, yesterday afternoon the great scientist from New York [Mr. SROVICH], the one who discovered and established the chemical equality of milk and beer, had something to say about the Smoot-Hawley tariff bill, and I read from the RECORD:

Its object was to place agriculture upon an equality with industry. It failed of its purpose. It sounded the death knell of agriculture.

Now, if this is true, what are you going to say of the duplicity of the Democratic majority on this side of the House, which had control of this House last year during the Seventy-second Congress, which today has control of every department of Government, and in all this time not one single schedule of that iniquitous bill has been suggested for change?

The President has some mandates from the people. He surely has a mandate from the people on this, because no Democratic orator last fall failed to arraign and assail the Smoot-Hawley tariff bill; but the President, who has a mandate upon this if upon anything in the world, opened not his mouth upon this subject. Of course, we should possess our souls in patience, for in this Congress we have learned to—

Count that day lost whose low descending sun
Views no new message from the President come.

[Laughter and applause.]

I hope this bill, as I have said, will come back with amendments that will justify voting for it.

Let me summarize the most obvious objections to the bill.

Firstly, its multiplicity of detail. How is the Secretary of Agriculture going to control the amount of milk produced by every dairy farmer, or the number of hogs slaughtered on a million farms? If a tax were imposed, would it not decrease consumption?

Secondly, the uncertainties attending the application of this law is disconcerting to trade. Notice the wheat market the other day, when this bill came up.

Thirdly, the renting of so-called "marginal lands" would involve almost insuperable difficulties of administration and

supervision. Under what a mountain of administrative minutiae and detail would the official who would undertake to execute such a statute be overwhelmed. It suggests a declaration of war upon natural law, the law of commerce, and of supply and demand. It is an attempt at price fixing and price pegging like the tragic Farm Marketing Act that left the farmer in a worse condition than it found him, and at a monumental expense to the Government and therefore to the people. I am more than anxious to go along with the President in all measures that give promise of relief.

The President very frankly states that this legislation is an experiment. A few more experiments on the farmer and he will be engulfed in complete ruin. If I remember his promise at Topeka, it amounted to a pledge that he would accept suggestions from the farm leaders with regard to agriculture, and I have no objection to his making good his pledge; but I do not for that reason merely feel that I can support a measure like this cluttered up with difficulties of administration which will make it a relief only to an army of "deserving Democrats" who will swarm like locusts over the land.

Now, I hope, in a body where amendments are possible, this bill will be so amended that every man in this House may vote for it; and if it is a bill that favors agriculture, and this is obvious, I believe this House will fall in behind this bill and help the President in this undertaking, as it did in the economy bill and in the banking crisis. [Applause.]

Mr. JONES. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER of Kansas. Mr. Speaker, ladies and gentlemen of the House, it was stated here on the floor of the House yesterday by the gentleman from Illinois and reiterated this afternoon that this was the biggest pork-barrel patronage bill that had ever been conceived. This, Mr. Speaker, is an implication that the President of the United States has framed and concocted a pork-barrel bill at a time when we all know he has been giving his entire deliberations to emergency matters that would assist the people in this country in the terrible condition they are now in, and has been disregarding all patronage matters and referring them for future attention. I deny the charge, and I state further there is not a Member of this House who really believes it.

I was very much interested when my colleague from Kansas [Mr. GUYER] quoted an editorial by William Allen White, of Emporia, Kans., for the reason that Mr. White happens to come from my district. He has been after me ever since he knew me politically, making every dirty political implication against me that he could, for no other reason than that I am a veteran and a Democrat. He has always been against the soldiers of this country, whether they served in the Civil, Spanish-American, or World War. An instance is told in Emporia of an old Civil War soldier breaking a cane over his head and chasing him down the street for a dirty and uncalled-for remark he made about the Civil War soldiers.

His paper, the Emporia Gazette, all during the campaign, and especially the last 2 weeks, was filled with editorials directed against me because of my stand in favor of the soldiers' bonus; and after I was elected he ran an editorial entitled "Who Killed Cock Robin?" which I would like to read to you:

What was responsible for the sad, the lugubrious slaughter of Homer Hoch in Lyon County? The bonus marchers in these parts, who took no noisy part in the shambles but drove home a glittering stiletto from behind, now go about with glowing smiles of contentment, taking unto themselves the credit for a dirty job well done.

In the first place, consider the Democratic landslide. Roosevelt, McGill, Woodring, and Carpenter all carried Lyon County. But how about the majorities? Woodring romped to victory with a margin of 798 votes in this county. Roosevelt was close behind with a lead of 740. McGill was on their heels with a plurality of 714. CARPENTER squeaked through with only 196 votes to spare. Every patriot in need of his bonus believed that CARPENTER was in favor of immediate cash payment of the bonus. They were all in his bandwagon. Yet he trailed the Democratic ticket in Lyon County, bouncing along in the wake of the avalanche almost 800 votes behind Franklin D. Roosevelt, who is pledged against paying the bonus with an empty Treasury.

Mr. CARPENTER figured it would be smart politics to gather in the bonus babies. But he paid a price for it. For every Republican who deserted Hoch on this issue there was at least one Democrat—and then some—who found he could not swallow CARPENTER's bonus program and voted for Hoch.

Homer carried a grievous load in this election. The Farm Board and the Smoot-Hawley tariff rode his shoulders like two old twins of the sea. The Democratic current washed the firm ground from under his feet. His 10-year tenure of office was against him in a year when the ins were going out, even though he had served his district faithfully and well for the past decade.

But the courage of his vote against immediate payment of the bonus made him votes. In fact, it almost pulled him through the Democratic hurricane. While Mr. Roosevelt counts his Fourth District majority in thousands, Mr. CARPENTER can count his majority in hundreds almost on the fingers of one hand.

Who killed Cock Robin? Well, it may have been a good many things, but it was not the bonus marchers.

Now, he comes out with bitter criticism of me for not upholding the President in regard to the economy bill. Mr. Speaker, I believe in economy, and I believed in part of this bill, but I could not vote against my comrades and vote to take everything away from them, as the bill originally provided when it was first presented to the House. Now, I expect he will come out in his paper with great headlines criticizing me for upholding the President and supporting him in this measure that has been the only emergency measure presented before this House to give the farmers relief.

Why is he opposing me? I will tell you why he is opposing me. He has been trying to clear the tracks so his little boy "Willie" can be a candidate for Congress on the Republican ticket next election, running on an antiveteran issue. Evidently he is becoming somewhat fatigued with having to support Willie and desires to get him on the Government pay roll.

What kind of a man is this William Allen White? He is not such a man as will fight out in the open, but wields a poison pen. I am not the first victim of his vitriolic attacks. What he has said about me is mild indeed compared with the attacks he made at one time upon Charles Curtis, of Kansas, who has just recently been the Vice President of the United States. He is the kind who desires to take advantage of the unsuspecting citizens or anyone who does not kowtow to him and worship him as a patron saint, admitting at all times that he is the greatest writer in the world and that William Shakespeare was a piker alongside of him, by writing up mean, cute little editorials and squibs about a person when he knows that the person he is attacking does not own a newspaper and cannot come back at him.

He even wrote insulting editorials concerning Calvin Coolidge when President Harding lay sick in San Francisco, the seriousness of which illness was not then being realized by the Nation. The Emporia Gazette came out with an editorial entitled "If", which reads as follows:

If President Harding should die of bronchial trouble and a leaky heart valve in San Francisco, the leadership—at least the titular leadership—of the Nation and the Republican Party would pass to Calvin Coolidge, ex-Governor of Massachusetts and Vice President of the United States, who has to his credit the settling of the Boston police strike in 1919 by the introduction of State troops. Red-baiting also is one of Coolidge's hobbies; last year he badly scared the good ladies of the land by a series of stupid, sensational articles entitled "Radicalism in Women's Colleges", which were published monthly in a woman's magazine.

This runty, aloof, little man, who quacks through his nose when he speaks, has become Vice President through his unique gift for platitudes, which are at the same time childishly clear and utterly untrustworthy. He has attained high office by saying nothing when he talks.

Those who admire his conduct of the police strike say he should be judged by his action, not his words. Bully! for Cal Coolidge, a conservative by temperament, by training, and by talent, will split the Republican Party wide open, which probably will enable La Follette to run off with the biggest half of it at the next Chicago convention.

Indeed, great was his surprise and chagrin when within a few days Calvin Coolidge was President of the United States; and he pulled every wire that he knew of to keep this editorial away from Coolidge and tried to make his boy, Willie, the goat.

He has attempted to besmirch every Democrat in the State of Kansas who attempted to do anything for the

people of Kansas. He has opposed and bemeaned every Democratic President when he was a candidate, and then after he was elected he would crawl up to Washington to lick his hands and then would write complimentary articles about him, because there is one thing that he cherishes more than anything else in his life, and that is for the newspapers to carry the news item that he has been a guest at the White House.

When one of the finest young Republicans in the State of Kansas, who has the respect and admiration of all the people of Kansas, whether they are Republicans or not, was a candidate for governor in the primary, he viciously attacked him because he was an ex-service man and a member of the American Legion and wrote smart editorials in which he stated that he sat on the platform with a large legionnaire pin in his buttonhole, polished as highly as possible, and that his lips were bleeding from kissing legionnaires' babies.

In the recent gubernatorial campaign in Kansas he came out and attacked Governor Woodring for nothing at all and did everything he could to defeat him; then, after Governor Woodring had lost by a few votes, he came out with another editorial praising him to the sky, stating that Governor Woodring had made a wonderful governor, and that by reason thereof he should be recognized by President Roosevelt and appointed to a high position.

He is not a friend of the farmer and never has been. He has ridiculed the farmer and opposed everything that was for his welfare. And he does not know what the word "economy" means. He is on one side of a proposition one day and the other side the next day. He does not know what he is for or against, except one thing, Mr. Speaker and ladies and gentlemen of the House, he is opposed at all times to the veterans of this country, whether he be Civil War, Spanish-American, or World War veteran.

He is one of those men—of whom there are a great many in this country—who are overrated. He has little or no influence in the community in which he lives, and from a political standpoint it is better to have his opposition than his support.

I wish to apologize to this House for taking so much of its time in regard to this man, who regards himself as a national figure, but in view of the fact that an editorial from this man's paper has been quoted here and put into the RECORD directed against this emergency agricultural bill, I think, in justice to the farmers of my district and State who are looking to us in their desperation to do something for them, that whatever this bubble of opposition amounts to should be exploded.

Now, Mr. Speaker, ladies, and gentlemen, I wish to say that I come from a district which, with the exception of a few oil wells, the output of which has been now curtailed, is almost wholly dependent upon agriculture, a State whose chief occupation is tilling the soil, a State that is the breadbasket of the world and that raises the best wheat in the world. The people in this district and State want to be heard on this question today. This is their day. They want to go along with this bill because the President has given us the promise if it is not a good bill, if it does not work out successfully, he will be the first one to tell us. Short years ago the people in this country were happy and prosperous, but then came the black storm clouds of the Fordney-McCumber tariff, followed by the Smoot-Hawley tariff, and laid them low. Their overhead expenses had so increased that in order to keep going, looking for a better day they had always been promised, it was necessary to resort to mortgaging their farms. Men who were wealthy and well to do, who came out across the plains and developed this great country, who had gone through the droughts, the cold winters, and the grasshopper years and commenced with a homestead of 160 acres, then gradually accumulating a few quarters of land nearby, looking forward to the day when they could leave a quarter for each child, have gradually witnessed these quarters of land slipping one by one away from them, and now the mortgage on the old homestead where all the children were born is being foreclosed.

You can talk about brainstorms all you want in regard to this bill, but I want to tell you that the farmers of my district, State, and Middle West are the ones who have been having the brainstorms the last few years wondering what is going to happen to them. You can talk about socialism being in this bill all you want, but I want to tell you the farmer on the plow when he thinks of all that he is overcoming is almost seeing red out in our country.

What has been the result of all this? It has resulted in bank failures and business failures in our towns and cities. Go out with me over my district, as I went over it the last nine months; the little towns where the best building in town, the one that was the most modern and in which the people seemed to take the most pride, the bank building, with a sign on the door saying, "This bank is closed and in the hands of the bank commissioners." Some of these nice buildings which had in former years housed thriving banks were now turned into restaurants and garages. The lumberyards in these towns, that used to be the beehive of activity, are closed, with a sign on the door saying, "If you desire to use the scales, see Mr. Smith, at the filling station." Most of these little towns, and even the larger towns, have more empty buildings than buildings that are occupied. The people can no longer buy, and finally this condition extended back east and engulfed the whole Nation. The prosperity that the people in the East were enjoying from 1920 up until 1929 could not stay up in the air, with nothing to support it; either agriculture had to come up on the same plane of prices and prosper with the industrial and speculative East or else they had to come down to it. The result was the farmer was not permitted to come up, and finally this false prosperity had to fall to the level with agriculture.

Now it is finally recognized that we cannot have permanent prosperity in this country unless the farmer is prosperous.

That prosperity, therefore, cannot be restored in this country until the farmer becomes prosperous.

It must follow that the farmer cannot become prosperous until he receives an honest price for his products.

Personally, Mr. Speaker, I would prefer to see all Government regulations done away with and agriculture returned to its own channel of trade, but the emergency is so acute and we are lost in a dense swamp of governmental control. It does no good to rail against it; it is necessary that we get out of it; and so this is the legislation, so far as the farmers are concerned, the emergency legislation that they are looking and praying for. I might also say that they are also desiring a cheaper dollar. This bill may not suit everyone. Personally, I would like to have seen the first provision in the bill do away with the Farm Board. Next, I am not so well satisfied with the processing fee charged here, and I do not know how the marginal-land proposition will work out. However, I do believe it has in it some semblance of price-fixing power, which I think is necessary at this time. No bill can be presented that will suit everyone. It seems that our only function here in the House is to act as "yes" men. It is said we pass a bill; indeed, we do; we pass it on to the Senate. While we would have desired to have the privilege of debate, let us hope that the Senate, the President, and the Secretary of Agriculture will make such amendments and carry out the law along such lines as will be for the best interest of agriculture. So, therefore, let us go ahead and do our duty as "yes" men.

Members have been dancing around the House this past week shouting the "house is on fire; So-and-so says this is the way to put the fire out; let us do it," and yet all that has been done up to this time is to attempt to throw beer on the fire.

Mr. Speaker, ladies, and gentlemen, for the great majority of the farmers and the people of this country, the house has already burned down, and it is necessary for them to build up anew. Let us pass this bill at once and obtain the benefits for the farmers for this year's crop. Let us do something that will permit them to save their farms.

All that has been done for the farmers in the past years is to loan them money and get them in the hole. I say, you give the farmer better prices, honest prices, for his products, and he will be able to take care of himself.

Mr. Speaker, the title of this bill that we are considering is "A bill to relieve the existing national economic emergency by increasing agricultural purchasing power"; that is what I came here to assist in doing.

Mr. FULMER. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, ladies and gentlemen of the House, when my distinguished friend from Kansas was quoting the editorial about the hogs—he did not know it—but he was talking the language which I know best.

For 20 years my business was raising and selling purebred Duroc Jersey hogs. I raised hogs that had so much sex appeal that I sold them as high as \$500 apiece, and I have shipped them into the gentleman's own State.

I want to say to the gentleman that it is not the young sow with sex appeal that produces a litter of 10 or 12 pigs. It is the old sow who has lost her sex appeal and is reckless that produces it. [Laughter.]

Many reasons have been advanced for the decline of American agriculture, but getting back again to plain "porkology", I will give you the reasons.

Every farmer knows that when one of the old sows has produced 10 or 12 pigs, that in the course of 2 or 3 weeks 1 or 2, and sometimes 3 of those pigs go back. And they would start to go back until finally when weaning time came they were curly, pot-bellied runts. Why? Every farmer knows the reason, but for the layman who does not, I would state that these runts were compelled by their larger and huskier brothers and sisters to eat at the rear end of the lunch counter. That is the trouble with American agriculture. For 12 long years this great basic industry has been sucking the hind teat of this great country of ours.

Mention has been made that this measure is revolutionary. It is no more revolutionary than the hearts of the farmers of this country today. We have fixed up the banks, and I say to you that your banks are builded upon our fertile soil. You may close all of your banks, place a conservator in every one of them, but restore farm prosperity and the money will flow once again into the bank vaults. Deny this prosperity to the farmer, deny him the cost of production, and the spiders of disaster will weave their webs of dissolution in the windows of all of the banks of the country.

This bill may not be perfect. If we had the privilege of submitting amendments, I would submit an amendment which would leave out all of the \$10,000 experts and substitute in lieu thereof real, hard-headed, dirt farmers, who know what they are talking about. But it is not for us to make amendment.

Mention has been made that other emergency legislative bills acted upon by the Seventy-third Congress were most important. Permit me to state that the bill under consideration today is the most important ever considered by any nation at any time, at any place, either in peace or war. The first measure passed by this House, the Banking Act, was to conserve the assets, not of the bankers themselves but of the people. The second piece of major legislation, the Economy Act, was to conserve the funds of our Government. The third piece of major legislation, the beer bill, was to put an end to the most colossal sham and hypocrisy in American history and to bring in revenues to the Government. Now, the fourth major legislative measure of the President, the rehabilitation measure, is to increase the country's supply of money, to restore its purchasing power, to bring back prosperity of the soil, not alone for the farmer but for all. It is the most important legislation in history, because at last it not only recognizes but acts upon the teachings, the warnings, the wisdom of all the ages.

The mighty approval which has acclaimed the recent achievements of the President of the United States and this

Congress is unmistakable and undeniable proof that the people of this country demand action rather than a barrage of mere words.

Five thousand years ago an old Chinese philosopher laid down this elemental truism:

The well-being of a people is like a tree; agriculture is its root, manufacture, commerce, and labor its branches and its life. When the root is injured the leaves begin to fall, the branches break away, and the tree dies.

In 1927, in company with the late Senator Thaddeus Caraway, of Arkansas, it was my privilege to address the American Bankers' Association assembled in national convention at Houston, Tex. At that time this truism was repeated for them, and I made the prediction that unless national legislation was enacted assuring cost of production to farmers, soon the banks and financial institutions would own all the land and when that happened, then the banks and financial institutions would become just as bankrupt as the farmers were then beginning to be bankrupted. That was only 6 years ago, but during that eventful 6 years we witnessed first the closing of more than 11,000 banks and on the memorable day of March 4 the complete and utter collapse of all the financial institutions in the United States. Two thousand six hundred years ago Solon, a wise old Greek philosopher, stressed in almost the same language that we use today the difficulties that Greek agriculture was meeting. One of his statements was:

Agricultural pauperism is a cancerous growth in Greece and will eventually strangle the nation unto death.

In 1925 the wheat farmers rose up and again sounded the warning. Their plea was to Congress to pass the McNary-Haugen bill. This bill was defeated on the floor of the House, as many of you older Members recall, largely through the vicious attacks upon the bill by Representative Franklin Fort, who, after becoming a lame duck after the November 8, 1932, election, was rewarded by President Hoover with appointment as the head of the Federal home-loan banking system, one of the most colossal failures in modern history.

The bill that we are considering today is the most important of all because it actually creates and establishes economic equality for agriculture as compared with other industries. This creation of economic agrarian equality has long been a thing of which the farmers have dreamed and for which the farm leaders have prayed. It has been a campaign pledge and promise of both the Democratic and Republican Parties quadrennially since 1920. This pledge is now about to be fulfilled. The promise redeemed—not by the Democratic Party alone, not by the Republican Party—but by the people themselves, who voted last fall for a "new deal." At last the people realize that 50,000,000 citizens are directly dependent upon soil prosperity for their own welfare and that the 70,000,000 American citizens automatically rise or fall with the prosperity or nonprosperity of the soil. For the first time in history the "forgotten man" became a real live issue. The question in the past and the question confronting us now is, What are the means, what are the mechanics to be employed to accomplish the end?

The farmers of this Nation had supreme faith in Franklin D. Roosevelt. Following his Kansas City speech, they looked upon him as the Moses who was to lead them out of the wilderness of gloom and despair. Following his election on November 8, a new light began to shine in the homes of millions of distressed people in the wide-open spaces; and likewise in the homes of the millions of distressed workers in the cities. They knew that at last a real friend of the farmer and of the city worker was headed for the White House; the news that finally a man sat in the Presidential chair who at least was willing to try to solve this age-old problem—the disparity between agriculture and other industries.

It is always a chronic ill, the devastating disease, the festering sore that is difficult to cure. Taken in its incipency, the most deadly cancerous growth can be removed; but let its malignant tentacles spread until they strangle

the entire organism—when hope is gone, when ambition is dead—the services of the most skillful and courageous surgeon are needed. The depression in the slough of which we now wallow might well be called by historians of the future "the era of blind indifference, super selfishness, stupid meddling, and interference. Blind because they first said there was nothing wrong with the farmer; selfish since they then told him to work out his own salvation; stupid since every successive attempt to help the farmer was abortive and costly to the taxpayers. Now, at last comes forth a courageous surgeon and statesman who in his short tenure of office has ably shown the American people and the world that he has the right, the will, and the ability to go to the base of every seemingly unsolvable problem and quickly and heroically diagnose the case and apply the remedy. Organized agriculture has tried to cure the ill and has failed; cooperative marketing associations have tried and have failed; Congress has tried and has failed; former President Hoover tried and failed. Leave it to Congress again and Congress will fail again. This is said with no attempt at disparagement of the Congress of the United States, but merely because of the many, many diverging views and opinions.

In the debate on the economy bill the proponents of the measure told us that President Roosevelt would do what we could not or were unwilling to do. We accepted their statements, their assertions, their viewpoints. Now we ask them to apply the same measure, the same yardstick, to their acts today. It is a poor rule that will not work both ways. We say to them, the President of the United States is ready and willing to do what you either cannot or will not do.

Dozens of farmers in Ohio are wiring me every day urging, begging me to support this bill. They say that in view of the desperate need for relief, the President and Secretary of Agriculture should be given authority to provide real tangible relief within the shortest time possible. They beg me to discourage major changes or delays that would result in delaying relief and losing support of the public in carrying it out effectively.

The President was willing to shoulder the burden in the making of a drastic cut in veterans' compensation and Federal salaries. With that same spirit he will now shoulder the stupendous task of restoring agricultural prosperity. He will not fail. Other measures and other men have failed because their remedies dealt with only one crop. The administration bill will succeed because it deals with all basic crops. It proposes to stabilize prices of all basic crops; it proposes to guarantee cost of production for all basic crops. Hence there can be no overproduction of any one crop. This bill reflects the composite views and beliefs of all the farm leaders, of all the major farm organizations, of all the economists' views.

Some may say that the farmers themselves object. My reply shall be, the farmers will not object to 92-cent wheat; they will not oppose the restoration of 6-cent cattle or 7½-cent hogs; they will not complain when they receive 13 cents a pound for their cotton. The average price level for the month of February during the period 1912-1914, inclusive, was:

	Cents
Cotton.....	12.9
Wheat.....	91.9
Corn.....	66.8
Hogs.....	7.53
Cattle.....	5.41
Lamb.....	6.14
Butter.....	26.7

The foregoing price levels are the ultimate goal set in this bill. This is exactly what the bill, precisely what the President and the Secretary of Agriculture propose, a restoration of 1914 price levels.

Having been a farmer all of my life—an actual dirt farmer, who dug his living from the soil until 1923—I give it to you that the average farmer has devoted far more of his time and thought to the raising of more bushels to the acre, more pounds of pork to the litter, than he has to the selling of his products at remunerative prices. The grimy

hands of a mechanic builds the automobile; the toilers in the sweatshops make the clothing that we wear; but it takes trained and experienced salesmen to sell these products and obtain cost of production. Woeful experiences of the not-far-removed past remind us that the people can earn money, they can save money, but smooth-tongued salesmen can sell them worthless securities—stocks and bonds. The inference is not made here that such is the case with those who sponsored this bill; but detestful as the word "expert" may seem, it does require men who have devoted their energies, men who have dedicated their lives to cause and effect, insofar as it relates to agriculture, to make a proper diagnosis and prescribe the remedy.

So it is with the farmers. They raise more crops per man and per acre than the farmers of any other nation on the globe. Generation after generation has taught them how to make 2 blades of grass sprout where only 1 formerly grew. Then, because the college or agricultural experiment station and the extension workers have failed to show them how to sell at a profit, because Congress and Presidents in the past have failed, surely these tillers of the soil cannot be blamed nor censured because they are not prepared to offer the remedy.

If the high-salaried farm leaders, if the well-paid professors and instructors in the colleges of agriculture, if the directors and farm doctors and research men and bug hunters in the experimental stations, and if the overpaid county agents were as successful in obtaining cost of production for farm products as they are in telling the farmer how to run his business, there would be no need for farm-relief legislation to-day. If former Presidents, State legislatures, and preceding Congresses had been as statesman-like and eloquent in sponsoring legislation that would actually help as they were in opposing the farmers' bills, this country would not be upon its knees today. And, by the same process of reasoning, if the farmer knew half as much about farming the farmer as he does about farming the soil, he would not be breaking the soil, he would be a so-called "farm leader", or perhaps sitting in Congress.

True it is, other plans have failed, other nations have failed. Why? Because they dealt with one crop only. Most notorious of all being the attempt of Great Britain to fix the price of rubber and the endeavor of Brazil to fix the price of coffee. Both of these attempts were as ludicrous as the famed attempt of Don Quixote to charge the windmill of Armageddon. The ill-fated speculative plunge of the Hoover Farm Board failed because the speculators in the commodities of life sold the Board short at every turn of the road. Each time the Federal Farm Board actually purchased 1,000,000 bushels of wheat the Chicago grain racketeers sold them short 10,000,000 bushels simply by margining their short sales 10 cents a bushel. Whenever the Farm Board purchased 100,000 bales of cotton, the cotton gamblers sold them short at the ratio of 7½ to 1 by covering their short sales with money supplied by the international bankers. The Secretary of Agriculture and the President of the United States at that time had not the courage nor the desire to drastically restrict or curtail the predatory operations of these gamblers in wheat and cotton.

Here we have a bill that covers all basic farm crops. Hence, there may be no overproduction in any one crop. Cost of production will be assured for every crop so the farmer may follow his usual routine, his well-balanced rotation so as to conserve the fertility of the soil. This bill is the handiwork, the thought of farmers themselves. The bill is not perfect. I am willing to admit that never yet has there been drawn a piece of revolutionary legislation that was perfect. I maintain that the banking bill was not perfect; I contend that the economy bill was not perfect; I am sure there are many in this House who will contend that the beer bill was not perfect, but with all its seeming weakness, with many of its provisions apparently inadequate in the minds of some, I maintain that this bill is the most forward-facing, the most far-reaching, and within 1 year will be the most fruitful of all the emergency legislation that we are passing. It is a new declaration of independence. It

means freedom from the evil influence of the gambler and speculator; it means the end of the domination of the big bankers; it means the repudiation of the leather-spectacled plutocratic editors of the city press who solemnly prate of the inescapable penalties of overproduction and eventual consignment of the farmers to that sacred old white ox—the law of supply and demand. Is our tax governed by the law of supply and demand? Is the interest we pay to the money lenders governed by the law of supply and demand? Is the price of machinery that we buy from the harvester trusts based on the law of supply and demand?

The answer is emphatically no. This bill recognizes agriculture as the basic industry. It guarantees cost of production. It contemplates a specific method for handling each basic crop. It recognizes the right of the farmer to enjoy a reasonable profit from his thrift and labor as industry does—as the public-utility octopus does.

In the debate which occurred preceding the passage of the economy bill we were told that if the bill was not right, if it was unworkable, if it contained injustices, these could be quickly remedied by the President or by the Congress, even to the repeal of the bill. We say to you that the same statements, the same safeguards are present in this bill; and if any plan proposed is unworkable, unsound, it can be changed overnight by the President of the United States and the Secretary of Agriculture.

During the past 10 years the farmers of this country have been deluged with a torrent of words. It is now time to quit talking and to act. Agriculture is dying. As proof, journey through any agricultural State; observe the homes, the buildings, unpainted for a decade. See the roofs rusting, the fences falling, the weeds growing up. Read the daily papers, note the number of farms confiscated by the money lenders and sold by the sheriffs. There is yet time to save the patient if heroic and emergency remedies are quickly applied. We deny this is a price-fixing measure. We do say it is a price-raising measure. It may be revolutionary in nature. So was the Banking Act revolutionary; so was the economy bill revolutionary. Those bills were designed to conserve assets and resources that already existed. This bill is drawn to create new resources and assets; to start once again the even flow of money from the farms into every channel of commerce, every avenue of trade. From the time of the birth of this great Nation until now, the farmer has ever been caught between the millstones of high prices when he has nothing to sell, and low prices when nature blesses him with bumper crops. The only real prosperity they have ever enjoyed has been during war periods or inflation periods following wars. For 10 years we have been fighting to make the tariff effective on agricultural products. The enactment of this bill is a realization of the ideals for which we fought. Back in 1926 I made a statement to the Committee on Agriculture of this House that unless legislation was enacted placing agriculture on an economic parity with other industries, its ultimate collapse was certain. The rising and setting of the sun was not more certain than this.

During my incumbency as director of agriculture for the State of Ohio, 1923–29, I announced that Ohio farmers lost \$1,125,000 from 1920 to 1927 in land values alone, and in the same period in crop values \$1,666,000,000. In 1920 the average value was \$105 per acre, in 1927 it had diminished to \$75, and now \$25 per acre would be a high figure. The farm-mortgage indebtedness of the United States increased from \$4,500,000,000 in 1910 to \$9,360,000,000 in 1925. This staggering total today is \$12,000,000,000. At that time eight principal reasons or causes of this astounding increase were advanced by the enemies of effective farm legislation:

- First. Overproduction.
- Second. The farmer's own inefficiency.
- Third. High taxes.
- Fourth. High freight rates.
- Fifth. Extravagance.
- Sixth. Lack of credit.
- Seventh. Absence of national market facilities.
- Eighth. The tariff.

If overproduction has slain its thousands, the tariff has slain its tens of thousands. High freight rates and the tariff are but aggravations of the ill rather than causes of it. The elemental and real cause is that the farmers have been compelled to sell below cost of production. They have lasted as long as their resources lasted, including their ability to borrow money on their land and chattels. With those resources exhausted, their buying power became exhausted. The factories closed down, men were thrown out of work. The banks failed, the merchants and wholesalers are hanging on by the skin of their teeth. The remedy is obvious. Restore the farmers' purchasing power, refinance them at 3-percent interest, give them a moratorium against foreclosure, guarantee them cost of production, and they will pay their taxes, thus relieving township, county, State, and Nation from special taxes and nuisance taxes. Then they will pay the interest on their mortgages, they will pay their delinquent interest and buy the commodities which the merchant has to sell and the manufacturer to build. In 1926 I warned:

The banks are full of frozen farm paper. The Nation is in the grip of a creeping farm paralysis, which, like a hungry wolf, stands at the very threshold of every farm. Unless there is a change, and that change soon, the melancholy note that arises from the harp of time will chant the mournful song of the rise and fall of the greatest nation the sun ever shone upon.

Apply the remedy before it is too late. Agriculture is the mast wheel of the world. Accelerate its motion but the slightest and the smaller wheels will double their velocity. Allow to it the importance, the honor, the dignity, the prosperity that naturally belong to it; encourage and support it and it will encourage and support other industries; elevate and improve its condition and it will elevate and improve the condition of all.

Mr. CLARKE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, in considering the bill which is now before the Congress it seems to me it is well to bear in mind that this particular bill differs from all previous agricultural legislation in that it is not confined to any one specific program. I find nothing in this bill where the Congress is tying the hands of the President and the Secretary of Agriculture by saying that here is a specific program which must be applied to a given commodity. This is true with the exception of the cotton program in title I. If, indeed, you can aid agriculture by direct and specific legislation, this much is certain, that you cannot apply the same program to each and every commodity. Let me illustrate. You might apply the allotment plan to cotton and to wheat, but you cannot successfully apply it to hogs and dairy products. Likewise, I think you can apply the debenture plan to hogs, but I do not think you can apply it to cotton and wheat.

This bill has this merit to it. It leaves it in the power of the President and Secretary of Agriculture to apply a given and particular remedy to a given and particular farm commodity. This bill can be just as bad as the Secretary of Agriculture and the President may make it. They have the power to exercise all of the ingenuity of man to make a bad farm bill out of it if they wish. At the same time they have the power and the discretion to employ remedies which are applicable to particular farm commodities. I hear it said that this is giving over to the President and the Secretary of Agriculture power to communize and socialize agriculture. Sure it is, if they are willing to abuse their power, but of the Reconstruction Finance Corporation the same identical thing may be said. When you left power in the hands of the Reconstruction Finance Corporation Board, appointed by the President, to make loans to different institutions, largely upon terms and conditions prescribed by that board, you left within that board the power to communize every institution that borrows money from it. I cannot assume that because the power is in the hands of the President and the Secretary of Agriculture to do a wrong thing, a ridiculous thing, an un-American thing, that they will do it.

This leaves me in a rather anomalous situation with my colleague from Kansas [Mr. GUYER], who has just spoken.

The allotment bill, passed by the last Congress, by its very terms, compelled the President and the Secretary of Agriculture to apply the allotment plan to hogs, and I would not vote for the bill. My colleague voted for it. By this bill the President is not obliged to apply the allotment plan to hogs, and if he does apply the allotment plan to hogs, in my judgment he will make a monumental error. I cannot assume that the President and the Secretary of Agriculture will do such a ridiculous thing simply because they have the power to do it. If we were called upon today to vote for a bill which would make it mandatory to apply the allotment plan to hogs, I would vote against the bill. We hear Members saying that they do not want this kind of farm-relief legislation, that they want to finance farm mortgages. Let me say to my friends who have stood on this floor the last 2 days and said that they prefer financing farm mortgages to this bill, that they have committed themselves to a task that when it arrives they will hesitate in walking up to the rack and supporting it. Here is the task that they have committed themselves to. They will have the Government of the United States underwrite \$10,000,000,000 worth of farm mortgages, and when you do that, you will doubtless underwrite the city mortgages. Will the city Members of this Congress ever permit legislation underwriting the farm mortgages that does not include underwriting city mortgages? That would involve another \$14,000,000,000. Government underwriting debts is a socialistic way out, but that is a policy started in the Reconstruction Finance Corporation. The Government there underwrites obligations. I did not vote for that plan. It was too socialistic for me. This bill, which undertakes to boost farm income, is a less socialistic proposition. I am not saying that the Government can by law bring prosperity to agriculture alone. I am saying that if this bill or some other arrangement cannot bring agriculture up to a parity with other institutions, then the rest of the people of this country may as well take one good look at the impoverished farmer and resign themselves to the fact that their future will be the present status of the farmer. [Applause.] For 10 long years the farmer was operating at a disadvantage, from 1920 to 1929.

Everybody else was better off from 1920 to 1929 than he was during the 5 years before the war. The farmer was 15 percent worse off. Today the farm products are bringing slightly less than half what they brought during the 5 years before the war, while the things which the farmer buys are yet at a price above the pre-war level.

I choose to accept this bill in the spirit of an editorial in the Washington Star of last night. That editorial is in part as follows:

Upon the restoration of agricultural prices, it is contended, rests recovery of the country. Frankly, the President said that the measure he was sending to the Congress was an experiment. It must be. Also it is perfectly obvious that anything that raises the price of foodstuffs to the consumer will not be joyfully received by the millions of men and women who live in the cities. Nevertheless, there has been a real maladjustment of prices of farm produce and the prices of industrial goods between the farmer's dollar and the dollar of the industrial worker. Whether the artificial aids proposed in the Roosevelt farm bill will succeed or not the President does not undertake to predict. But if they are turned down the Congress must be prepared to submit something more effective in their place.

Frankly, if I had my way about it, I would not at this time bother with a specific farm bill. I would try something which I believe would benefit every industry in the United States. I would deflate the gold dollar, to the end that American manufacturing industry can sell abroad in competition with the rest of the world, to the end that American manufacturing industry would not be driven from its home markets as a result of depreciated foreign currency, and to the end that American agriculture could sell its commodities abroad for money worth as much as American money. But I cannot have my way. That is radicalism, my conservative friends tell me. At any rate, that is legislation which would have to come from the Committee on Banking and Currency, and as far as my party in this House

is concerned that committee is packed to see to it that no Western idea pertaining to money shall come upon the floor of this House. [Applause.]

Since we cannot turn to a program that will be of value to the country as a whole, then all that there is left to do is to turn to specific agricultural legislation, hoping against hope that we can revive the American farmer. Until we can revive him there is nothing in the future save greater poverty and greater despair for the American people. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Kansas [Mr. McGugin] has expired.

Mr. BYRNS. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. Polk].

Mr. POLK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a brief telegram.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. POLK. Mr. Speaker, under the privilege granted to extend my remarks, I wish to insert the following telegram, recently received from one of the leading farm owners in my district, concerning the agricultural relief bill:

HILLSBORO, OHIO, March 18, 1933.

HON. JAMES G. POLK,

House of Representatives, Washington, D.C.:

As a southern Ohio farmer I protest against present proposed legislation claimed to help agriculture. If Congress will just leave farmers and economic laws alone and stop holding out to us false hopes from various agricultural patent medicines, crop-limitation nostrums, and the like, we will pull ourselves and the balance of the country out of this depression a great deal quicker and on a very much sounder basis.

BURCH D. HUGGINS.

Mr. Speaker, ladies and gentlemen of House, as President Roosevelt well said in his inaugural address, this is a time for action and not words; consequently, I shall be brief.

If it were not for the economic emergency which faces those people engaged in the business of agriculture, such a measure as we are now considering probably could not be justified. If this bill was not an emergency measure, as is specifically indicated on page 13, lines 15 to 17, which state, "This act shall cease to be in effect whenever the President finds and proclaims that the national economic emergency in relation to agriculture has ended", I should hesitate to vote for it, even though it is requested by President Roosevelt, whom I greatly respect and admire.

In my humble judgment, there are three separate conditions which must be remedied before agriculture will become a profitable business:

First. Farmers must be enabled to get the cost of production for that which they produce.

Second. Tax burdens must be materially lightened.

Third. Interest rates on farm indebtedness must be substantially reduced, for under present conditions it is impossible for those engaged in agriculture to make a living and pay the present high taxes and interest charges.

While this bill aims to help the farmer get something near the cost of production for that which he produces, it gives no relief insofar as tax burdens and interest rates are concerned.

It has long been my belief that the business of agriculture is of sufficient importance to the Nation to warrant protection similar to that given the so-called "public utilities". We permit these public utilities such as telephone, telegraph, gas, and electric power and light and many other companies to charge for their products and services such amounts as will guarantee to them a profit based oftentimes on greatly inflated capital structures. We further protect them by granting them long-term franchises with rates which are often burdensome in the extreme to those who must use their products and services.

As compared with this special protection enjoyed by public utilities the farmers are very largely at the mercy of the buyers for the large corporations, which purchase raw materials from the farmers. There is no doubt in my mind that the packers are able to raise or lower the prices of hogs and cattle and other meat animals, according to what

they consider to be their own selfish interest in the matter. The same thing is true of large tobacco companies, who, as we all know, can force up or down the price of tobacco practically at will. Of course, it is to the interest of all of these large corporations who are buyers of raw materials from the farmer to force down the price instead of raising it. This selfish interest makes the farmer a practically helpless victim of low prices. On the other hand, manufactured products which he must purchase remain at near the same high level which has existed during the past decade. The farmer must sell at the price offered by the buyer of his raw materials and when he buys back this raw material as a manufactured product he again must pay for it the price which is put upon it by the industrial corporation.

This bill should enable the Secretary of Agriculture to force the processors of at least some of the farm commodities included herein to pay a more nearly fair price for what they buy from the farmers. Through the licensing provision, which is discretionary in its operation and, therefore, probably will not be used except in rare instances, the Secretary will have at his command a weapon to whip into line selfish interests who decline to cooperate in helping to bring up the price of these farm commodities.

We have heard much discussion here concerning the effect of this measure upon the consuming public. While it is true that the bill may cause a slight increase in the cost of living to those who live in our great industrial centers, if by so doing it will reestablish the purchasing power of the millions of people who live on the farms of America, it will be wholly justified.

If the farmers of America could buy the products they would buy if they had the money to do so, we would find that our factories and workshops would actually be swamped with the orders for manufactured products which would come in from the rural districts.

During the past 10 years the farmers of America have existed practically from hand to mouth. They have purchased very few things which they did not actually have to purchase. If we can restore the buying power of rural America, there will be such a demand for such articles as fencing, paint, lumber, farm machinery of all kinds, household conveniences, automobiles, clothing—in fact, all of the necessities and luxuries of life—that it will keep our factories going throughout the land to supply their demand.

As someone has well said, we need something to force us off of dead center and start the wheels of industry going. It is my belief that the bill which we now have under consideration will not solve all of these problems, and while I believe that it fails to meet the entire needs insofar as agricultural legislation is concerned, I do think that it is a step forward and consequently should be speedily enacted into law. [Applause.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. Vinson].

Mr. VINSON of Kentucky. Mr. Speaker, I rise for two definite purposes. One, to state that I am supporting the President's emergency legislation for agriculture just as I have supported other emergency legislation. It will be my pleasure to support all emergency legislation proposed by him.

My second reason for taking the floor is to call the attention of the Committee on Agriculture, and particularly those members of it who will represent the House as conferees, and likewise the attention of the Senators, to the effect of the bill upon tobacco, together with certain suggested remedial amendments.

No one can take issue with me in the statement that tobacco, of all agricultural products, should receive friendly attention in farm legislation. Last year it brought into the Treasury of the United States \$400,000,000. It has been and is the most stable income-producer for the Federal Government.

I call the attention of the House, and the Senate as well, that, according to the report of the Committee on Agriculture, the parity price for Burley tobacco is 10 cents per pound, or 2.7 cents per pound less than the admitted average

for Burley last season. This information was not available to us until yesterday, when we were able to secure a copy of the report. Immediately we contacted the distinguished chairman of the committee, Hon. MARVIN JONES, of Texas, who is the most able authority on agriculture in the House. We conferred with other eminent gentlemen upon the committee, and they assured us that they would make every effort to rectify this discrimination in the Senate or in a conference on this bill. I regret that the rule under which the bill is being considered will not permit the offering of any amendments.

With the assurance of this friendly interest I turned my attention toward the Department of Agriculture and there found a very friendly spirit of cooperation. I feel that there was no intention of this discrimination, and I look toward them for friendly cooperation in securing a remedy.

The fact is that the price for Burley tobacco during the parity period 1909-1914 is the lowest for any corresponding period in the past 25 years. Mr. JONES, chairman of the committee, as well as the Agricultural Department, will agree with me in such statement. The fact is that the Burley tobacco grown between 1909-1914 was an entirely different type of tobacco than that grown today. It was a much heavier tobacco than the lighter Burley grown in the past several years. The heavier Burley was grown for a different purpose. The lighter Burley was grown for cigarette purposes. The difference is as great as if it were a different type of tobacco. The average price from 1909-1914 is not a comparable price to the Burley that is grown today.

Roughly speaking, 75 percent of the tobacco grown today is used in cigarettes. Burley, flue cured, and a Maryland type are the cigarette tobaccos. In 1915, 10 percent of the tobacco grown was used for cigarette purposes—56,000,000 pounds. In 1929, 43½ percent of the tobacco grown was used for such purposes—347,000,000 pounds. The main point, however, is that the Burley in 1909-1914 is not the Burley upon which the Secretary of Agriculture, under the power of this bill, will establish a price commensurate with the commodity index used.

We had to work fast to get the matter ready for presentation today. In addition to the chairman of the committee and its membership, we made personal contact with Mr. Ezekiel, economic adviser to the Secretary of Agriculture; Mr. Gage, who is the senior marketing specialist in charge of the tobacco section in the department; and Mr. Finn, associate economist. As stated, these gentlemen were responsive with detailed information and friendly suggestions. We present here an amendment suggested by Mr. Ezekiel which came from him to me today, and I will insert his letter with the amendment at this point:

MARCH 22, 1933.

HON. FRED M. VINSON,
House of Representatives.

MY DEAR CONGRESSMAN: In accordance with your request I am enclosing an amendment to the farm relief bill to cover the special case of Burley tobacco.

The effect of this amendment would be to permit the Secretary to choose the post-war period as the base period in establishing a price for Burley tobacco, instead of the pre-war period, if full examination of the matter convinces him that there has been a real change in the quality of the tobacco covered in the price reports between the two periods.

While it is believed that this amendment will accomplish the purpose you have in mind, further investigation of the problem would be required before the department would be in a position to take a final position on the matter.

Sincerely yours,

MORDECAI EZEKIEL,
Economic Adviser, Office of the Secretary.

The tentative amendment is:

Page 9, after line 21, insert the following:

"If the Secretary finds after investigation and due notice and opportunity for hearing to interested parties that between 1910 and 1920 there has been such substantial change in the quality or character of any basic agricultural commodity that the prices which prevailed therefor during the pre-war period, August 1909—July 1914, cannot by reason thereof fairly be compared with current prices, he shall so proclaim, and thereafter in the administration of this act apply with respect to such commodity its purchasing power during the period August 1919—July 1928, in lieu of its purchasing power during such pre-war period."

I had another suggestion made from the department in the form of a tentative amendment. This amendment would be inserted after the figures "1914", on page 2 of the bill, and is as follows:

Strike out the semicolon after the figures "1914" and the comma and the following language "for types of tobacco used mainly or largely in the manufacture of cigarettes equivalent to the purchasing power during such later period as the Secretary of Agriculture shall deem appropriate" and insert on page 2, after the figures "1914", in line 10, a comma for the period and the following: "or other base period adopted."

I am offering these suggested amendments for the consideration of the House and Senate and their respective committees in order that this great industry may not be discriminated against.

When the domestic allotment bill was being considered in the House last session, a similar situation was found relative to tobacco. At that time Mr. JONES, chairman of the committee, offered an amendment, which was agreed to by the House. It might be informative to insert this amendment and the debate thereon at this point, and with your permission I will do so.

The matter referred to follows:

MR. JONES. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

"Committee amendment offered by Mr. JONES: Page 11, line 3, after the figures '1914', insert a comma and the following: 'except that in the case of tobacco the base period shall be the period commencing September 1909 and terminating August 1919.'"

MR. STAFFORD. Mr. Chairman, I think we should be given some explanation as to why tobacco is to be given a different status by this amendment.

MR. JONES. I will state to the gentleman that tobacco is a peculiar commodity in that it is grown in segregated districts. It always has had a tax on it and is a sort of an exception to all rules applying to other commodities. The 1909-to-1914 period is not an accurate period. There are seven major types which must be treated as different commodities. For illustration, the average for Burley for a 25-year period is 17.95 cents per pound. That is only one particular type, No. 31; but the average for it from the period 1909 to 1914 was 10.15 cents per pound. This amendment would make the ratio price 14½ cents, which is a normal increase. It is less than the average for the 25-year period and less than it is bringing today. This is the type of Burley grown in Kentucky, Virginia, West Virginia, Ohio, Indiana, Missouri, and Arkansas.

In the fire-cured dark of Virginia, Kentucky, and Tennessee; the flue-cured of Virginia, North Carolina, South Carolina, Georgia, and Florida; the Havana seed type of New York and Pennsylvania; the sucker, west Kentucky; the Pennsylvania seed leaf; Wisconsin, Connecticut, and Maryland tobaccos the conditions are the same. The prices of the parity period are less than the present prices and less than a fair price for tobacco. If it is to be operative upon tobacco, a reasonable increase, such as set forth in the amendment proposed, should be adopted. I hope the amendment will be agreed to.

MR. STAFFORD. I have read the report of the hearings, and as I recall tobacco made the poorest showing of any staple product. There was only a difference of 15 percent.

MR. VINSON of Kentucky. Nineteen percent.

MR. STAFFORD. There was only a difference of 19 percent in the prevailing price over the average price during the war. Is not the gentleman scurrying around to find some other scale on which to justify giving a bonus to the tobacco growers?

MR. JONES. I have gone over this with the tobacco people. If it needs a more complete explanation, the gentleman from Kentucky [Mr. VINSON] will make it; but I believe they have been very fair and reasonable in setting their parity by taking the average price and the average period and the long-range price. I believe this would be fair.

MR. STAFFORD. This is a tax upon women and children who use cigarettes. Of course, if we applied this same period to the other articles, that would militate against the growers of their product, because prices since the war have been less than they were prior to the declaration of war. I suppose that is the reason you are not extending this to the other articles.

MR. JONES. Tobacco was not affected in that way.

MR. STAFFORD. It just happens that in the case of tobacco the price has been rather stable right along and has not fallen into the slough of despond like other products, and now you want to bolster it up and give it this average price at the expense of the tobacco user.

MR. JONES. I will state to the gentleman that the tobacco grower has not benefited. He has got a very low price regardless of the retail price.

MR. STAFFORD. Will this affect the price of the "deadly nail"? MR. VINSON of Kentucky. If my capable friend from Wisconsin will permit, during the period 1909 to 1914 you had the lowest prices for tobacco in the past 25 years. In the case of wheat, cotton, and hogs an increase in price over the present price is set up in this bill. In the case of tobacco, the fair exchange value is less than it is bringing today. Kentucky Burley tobacco is

selling now around 14 to 15 cents; the parity period price is a trifle over 10 cents. The parity price under the amendment will be about 14½ cents per pound. As the bill is written, the tobacco-grower would be injured rather than helped.

For the past 4 fiscal years, the years of depression, tobacco has put into the Treasury of the United States almost \$2,000,000,000.

Mr. STAFFORD. And cigarette and other users have paid into the Treasury.

Mr. VINSON of Kentucky. It works both ways. This onerous tax means decreased price to the grower; likewise it means decreased consumption, which means a lesser price to the grower. The grower gets caught going and coming.

Tobacco is one of the original basic commodities included in the bill. It is a commodity of which there is a substantial exportable surplus. The bill is intended to help the tobacco growers of the Nation. Tobacco is grown in 19 of our States. There are 400,000 tobacco farms in the Nation. Millions of our people are looking hopefully for a living price for tobacco.

The 1931 crop in vast areas brought less than the cost of production. This year the price has done fairly well, due to decreased production and the fact that we have 10-cent cigarettes.

In my judgment, the base period between 1909 and 1914 would be decidedly harmful to tobacco prices rather than helpful. This period brings the lowest average price for any similar period during the past 25 years. It was the poorest market for a quarter of a century. Kentucky Burley averaged during that period 10.15 cents. For the 25-year period the average is 18 cents. The parity period as proposed in this amendment brings the average price up to 14½ cents. Fire-cured dark tobacco, type 22, in Kentucky and Tennessee averages 8.35 cents for the parity period under the bill, as against an average of 12 cents per pound over the 25-year period. The proposed parity price for this type will be 10.48 cents. Types 23 and 24 in Kentucky and Tennessee, the 1909 and 1914 average, was 7.2 cents, as against practically 10 cents for the 25-year period. The new average would be 9.39 cents under the amendment.

Whereas there is a material increase over present prices providing for wheat, cotton, and hogs, we find that actually the fair exchange value of tobacco even under the proposed amendment is less than the prevailing prices today.

Tobacco is the one agriculture product that is taxed. It bears the heaviest tax of any commodity. As heretofore stated, the grower, because of this tax, gets less for his tobacco. Undoubtedly the increased price of the manufactured article means decreased consumption. Naturally this means a lesser price to the grower on account of the restriction of the market. With cigarette tobacco bearing \$1 per pound tax and chewing and smoking tobacco 18 cents per pound, yielding almost \$2,000,000,000 in taxes in the 4 fiscal years of depression, we respectfully suggest to the friends of the bill and to all fair-minded listeners that the proposed amendment is both sound and just.

The CHAIRMAN. The question is on the committee amendment. The committee amendment was agreed to.

Mr. VINSON of Kentucky. I sincerely hope that this matter will receive the careful consideration of the Senate and, if such remedy is not included in their bill, that remedial amendments may be worked out in conference.

Mr. FULMER. Mr. Speaker, I yield to the gentleman from Virginia [Mr. FLANNAGAN] such time as he may desire.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by including a statement on tobacco prepared by the Department of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, when the allotment bill was up during the last session, the tobacco growers got through an amendment substituting, as to tobacco only, for the 1909-14 period, the period from 1909-18. Under the present bill the 1909-14 period applies to tobacco as well as all other farm products.

I have gotten the Department of Agriculture to figure out, in dollars and cents, just how the tobacco growers will fare if the 1909-14 period—the period set out in the bill—is used, and how they will fare if the period is extended from 1909 to 1918.

The figures, which I will insert for the benefit of the representatives of tobacco districts, are as follows:

The index figure for articles farmers buy was 100 percent for the 5-year period of 1909-14, and 126.2 percent for the 10-year period of 1909-18. Therefore, the adjusted price for the period of 1909-14 would be the same as the actual price, but for the period of 1909-18, the adjusted price would equal the actual price divided by the index figure, 126.2. The actual prices and adjusted prices for the two periods are shown below for types other than cigar-leaf and miscellaneous types:

Types or type groups	Actual price, 1909-14	Actual price, 1909-18	Adjusted price, 1909-14	Adjusted price, 1909-18
All fire-cured types 11/14.....	13.0	17.1	13.0	13.5+0.5
Virginia fire-cured type 21.....	7.8	9.9	7.8	7.9+ .1
Kentucky-Tennessee fire-cured type 22.....	8.5	10.5	8.5	8.3- .2
Kentucky-Tennessee fire-cured type 23.....	7.4	9.4	7.4	7.4 .0
Burley type 31.....	10.8	14.9	10.8	11.8+1.0
Maryland type 32.....	8.2	12.3	8.2	9.8+1.6
One-sucker type 35.....	6.8	8.6	6.8	6.8 .0
Green River types 24 and 36.....	7.2	8.9	7.2	7.0- .2
Virginia sun-cured type 37.....	8.5	12.0	8.5	9.5+1.0
All United States types, including cigar types.....	11.4	14.9	11.4	11.8+ .4

In my opinion, the period as to tobacco should be from 1919 to 1928. The gentleman from Kentucky [Mr. VINCENT] has obtained those figures, and I hope the Representatives of the tobacco growers will give careful consideration to same. The bill, I think, should be amended so the Secretary of Agriculture can use, as to tobacco, the period from 1919 to 1928.

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, I represent a State which on March 24, 1 year ago, increased the vote in the Democratic presidential primary from 9,000 to 84,000, so that the international bankers could not stop Franklin D. Roosevelt—a State which had the second popular presidential primary election in this Nation. We Non-Partisan League Republicans and Farmers Union members fully realized the importance of that election and therefore went into that primary and gave Franklin D. Roosevelt some 34,000 majority.

Normally there are not enough Democrats in my State to fill the post offices, far less to maintain a Democratic organization; and yet we gave Franklin D. Roosevelt 106,000 majority over the great mistake that was then presiding in the White House. We did this because we had confidence in Franklin D. Roosevelt. We still have that confidence. In fact, we know that he will make good and put an end to this fearful depression which never had any business to exist, except ignorance.

We did this by making the Frazier bill the main issue—a bill which has for its object the refinancing of farm mortgages at 1½ per cent interest and 1½ per cent principal on the amortization plan. Not by issuing bonds so that the international bankers can clip coupons and make billions of dollars out of the misery of millions of our people, but by issuing Federal reserve notes secured by first mortgages on farms—the best security on earth, better than gold or silver. We can get along without gold or silver, but we can not get along without farms. To date 17 legislatures have memorialized Congress to pass this bill without further delay. This bill is now before both Houses of Congress, has been before both Houses for about two years, and so far no consideration whatever has been given to it by this House or any committee thereof.

Another principal issue we used was that the soldier should be paid his compensation, so-called "bonus", in cash. Not by issuing bonds but by issuing Federal reserve notes. Last but not least, we used the issue that the farmer should get at least the cost of production for that part of his products that are consumed or used within the United States. No honest or intelligent person has any right to use or consume farm products below the cost of production.

What have we done so far to meet these issues? First, we opened the printing presses for the banks. Necessary, of course, so that we could get back a part of the \$41,000,000,000 that we have on deposit. For the repayment of this 41 billion all the banks, savings banks, and trust companies of the United States had only \$680,000,000 of actual money in their possession on January 9, 1933. Next we clipped a leg off the soldiers' disability compensation in order to please the bankers' National Economy League.

We come now to the discussion of House bill 3835—the farm relief bill. This bill does not meet the demands or the requirements of the farmer. It is a price-fixing measure, but it does not propose to fix the price at the cost of

production. Anything less than the cost of production will not satisfy the farmers or comply with the campaign pledges made. This bill apparently still expects the farmers, their wives, their sons and daughters to work without compensation in order to feed and clothe the people of this Nation.

Every other government that has approached the subject of pricefixing started out with the idea of giving the producer the cost of production. That is true of Germany, France, Switzerland, and other nations.

We have before this Congress, and had before the last Congress, bills that provide for the cost of production, but this measure wholly fails to make any such provision. We are informed that the Secretary of Agriculture says he will put the meager assistance that the farmers might expect from this bill into operation very gradually. With due respect, may I suggest to him that he had better come in on double-quick time.

The farmers of this Nation are in desperation. They will no longer submit to make-believe legislation. They demand substance as well as the name of things. They will not be fooled with farm relief on a par with the Hoover Home Loan Bank Act.

There are danger signals all along the line. In my State, and in numerous other States, mortgage foreclosures are now being stopped by force by enraged farmers, who are driven to desperation in defense of their homes. The law of self-preservation is in operation, a law that is greater than any law that man ever wrote, and it is time that we take heed of that warning.

This bill provides in subsection 3 of section 2: "To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period, August 1909-July 1914."

This means that the farmer and his family shall be permanently enslaved and accept for his products a price below the cost of production, because the bill does not give him the cost of production, and the price it gives him becomes a maximum as well as a minimum price. It is on a par with the performance during the war, when the minimum price was also made the maximum price. In all frankness, I state to the Members of Congress that the farmers of this Nation will never submit to such a proposition if it is ever attempted to be enforced. It took 250 armed National Guardsmen in the State of Iowa last year to show a farmer how to test a cow. Should we not profit by that experience?

The statement has been made from this floor that the farm organizations are backing this bill. That is not a correct statement. If any of you have any doubts, I invite you to listen to John Simpson, president of the National Farmers' Union at 12 o'clock noon next Saturday. I know that some of the self-styled farm leaders, the silk-stocking brigade, the tax-eaters, who have been living off the Farm Board on fat salaries, have indorsed this bill. But I deny that they represent the farmers of this Nation. You know and I know that John Simpson represents the hope and aspiration and the demands of 85 percent of all the farmers of this Nation.

This bill assumes that there is an overproduction of farm products, when as a matter of fact there is an underconsumption, owing to the fact that there is not enough money in actual circulation with which to measure the muscular and brain energy of our people.

Let us not attempt to deceive the farmers by giving them the name of a thing but not the substance. I ask the Members on both sides of this House, and especially the younger Members who have come to this Congress for the first time, to join in rereferring this bill to the committee with instructions that they permit JOHN A. SIMPSON and other liberals on both sides who are interested in the success of agriculture to help make a real bill out of it, and then bring it back and pass it next Saturday.

I know that the President will be delighted if we will do this. We liberals have confidence in our President. He is

ours as much as yours, because you have not enough Democrats to elect him, and we want to work with you and get real farm relief. Will you not let us?

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Speaker, I find myself today torn between a desire to follow the President of the United States in his program—a desire to do something for the farmer.

I have pledged myself to help the farmer wherever possible, and at the same time this bill does not seem to me to hold out any promise for the farmer, and I will tell you why this is so, in my judgment. We have gone through the experiment of the Farm Board. It created so much expense and paid so many high salaries that it finally became a stench in the nostrils of the American people. Through the Stabilization Corporation, the Farm Board purchased wheat, cotton, and other commodities and stored them. Those stored commodities hung over the market like the sword of Damocles and did the producers of those products little if any good.

Through the medium of this bill we propose to do the same thing again. We are setting up a bureaucracy. We are going to have a great expense that someone has said will cost in the neighborhood of \$200,000,000. But this is not the worst of it. As I understand the principle underlying this bill, it is to limit production.

Where is this production going? If we limit it in the United States this production is going somewhere else in the world, because the Secretary of Agriculture has himself said there were starving millions in the world who need the produce of this Nation. Once we drive this production out of the United States and cause it to be produced in other areas of the world it will come back to plague us just as the wheat and cotton plagued the Farm Board and the American farmer. [Applause.]

Someone has said, "Well, if you will not support this bill what have you to offer in its stead?"

This is my offering:

First. Reduce the interest on farm mortgages and amortize payments.

Second. Reduce taxes.

Third. Treat the trade barriers that have been erected nation against nation.

Fourth. Take the inflated value out of gold, and thereby secure a sound and honest dollar.

Let us treat the causes of this depression. One cause, all will agree, is the inflated value of gold due to the manipulation on the part of foreign governments.

The great troubles today are debts and taxes. This applies with especial force to the farmer. These things are acute because of the low price of farm products due to the inflated gold dollar. As a direct measure of relief, and it is only relief, cut down the interest rates on farm mortgages and amortize the payments. I have spoken to many farmers in my district, and this is what the average dirt farmer seems to want.

He also wants a relief from taxes. This bill goes in an opposite direction and will make for more burdensome taxes. Someone is going to have to pay for the horde of officials it will take to administer this measure, and the farmer, in addition to interference with his liberty of action, will have to pay the piper along with the laboring and business man.

Mr. Speaker, I may further say that, as a member of the Committee on Coinage, Weights, and Measures, we have during the last 12 months taken testimony from witnesses who have resided in various parts of the world who are familiar with the subjects that underlie these conditions. There is no other committee in this Congress that has made such a study into the causes of the agricultural depression in the United States, and I wish to say emphatically that this committee has made a report to Congress which announces its findings. This report specifically and in definite language states that the depression in the prices of farm products in the United States is not due to excess acreage. It is due to something else, namely, to legislative

enactments of foreign governments that have resulted in a market manipulation that has a depressing effect upon the market value of our farm products. This committee fully recognized the seriousness of this charge.

It is difficult to conceive of a more serious statement than this being made in a report by a committee of Congress, made after a thorough study and investigation. So serious is this charge not only from the disastrous consequences to this Nation in its economic affairs but also in the implication of neglect on the part of those whom have had a hand in the management of this Nation and its affairs that this committee has seen fit to go farther and make the following statement in its report:

We find that this result has followed directly and definitely from certain governmental acts the effects of which are clearly traceable, so that all the important facts are well sustained by the evidence we have gathered. The cause and effect relation is definite and simple; there is no evidence submitted which tends to confuse this relation.

I believe that the recommendations to the President on this important measure have been worked out by his advisers without giving to the deliberations and report of this committee the study to which it is entitled, and I wish to say as a member of this committee that a definite remedy for the agricultural situation in the United States is proposed by this committee and it is in the form of a bill now pending before Congress, and it is very much in the position of the proverbial "needle in the haystack" in that there are only a few most intimately connected with the proceedings of this committee who know and understand that a simple remedy has been made available which until now has not been given an opportunity for consideration. The majority of the committee have the fullest confidence in the remedy that has been worked out as a result of the work of the committee. On the other hand, the President himself has frankly said that the measure before us is an untried experiment.

Here are some of my doubts as to this bill. First, we reduce the acreage of our crops. To do this we reduce the tonnage of our crops. Who is going to replace to the railroads the earnings thus destroyed? Does this House realize that this depletion in railroad earnings will almost be entirely subtracted from net earnings rather than gross earnings? Do we realize that the fixed charges and almost the entire operating expenses of railroads will have to be changed to a smaller tonnage?

We propose here to reduce acreage of the farms. What provision is made for supplying starving millions of people in the world who have for months been out of these provisions? If so, after they become accustomed to a new source of supply, how will we later regain the markets we have lost? The investigation of our committee shows that there is no satisfactory evidence of an overproduction of world supplies, but abundant evidence that commodities cannot circulate through the channels of commerce because the counterflow of money cannot circulate.

Due to a breakdown of the money system of the world, which, according to our committee, is unnecessary and can be corrected by our Government, commerce is dead. We naturally have an accumulated surplus of commodities in countries where these commodities are produced. But we have an accumulated need in other countries. I read in the New York Times about a week ago of one of these countries passing a law to give a bonus and guarantee a price of the local production of what to them is a necessity because these things cannot be brought to them through the same avenues of commerce that would carry them away from us.

It is my view—and I believe it to be the view of the vast majority of our committee—that we cannot deal intelligently with this condition that we call overproduction until after we have first dealt with the cause of the breakdown of world financial institutions which are a necessary part of the machinery of world commerce. I do not propose at this time to go into the technical discussion of what is wrong with the financial machinery of the world—wrong, I mean, from the standpoint of the economic interests of the United States of America. But I do wish to call to the attention

of the present administration, and especially to the President of the United States and to every Member of the House of Representatives, as well as the Senate, the record that has been built up by this committee in its study of this question.

I am quite positive in my belief—in fact, I am convinced—that the remedy which this committee is prepared to offer to the Congress is the one sound remedy that goes to the root of this matter. It is the only remedy that deals with the fundamental cause of this depression. It is the only study that locates the definite cause and deals with it. And my conviction that these things are true comes to me not only from the basic soundness of the reasoning and logic that leads to this conclusion, but also from the fact that these matters have had no contradiction. No one has come forward to assail this remedy either by counter statement or by serious debate.

Certain nations have been strong enough to absorb most of the gold of the world, leaving an overwhelming majority of the nations destitute of financing facilities. The markets of the world are closed. Commerce is dead, and until we restore this commerce and open these markets no man can know what his overproduction or what his underconsumption or where these measures are leading us to that are incorporated into this bill.

The United States until now has been a great storehouse of wealth to this Nation, and a great source of supply to the people of the world. A large percentage of our agricultural production has been exported. We dare not surrender this position, trivially and without due and mature consideration. We dare not kill the goose that lays the golden egg. Because if we do there is no assurance we can revive it.

It may well be argued, it seems to me, that instead of reducing the acreage we need to increase the acreage provided our markets can be restored to us for the export of our surplus production. And we cannot possibly know to what extent our markets can be restored until the money system of the world has been brought back to a normal functioning power by the removal of the causes that have brought it to its present deplorable plight.

When I became a Member of this Congress I took an oath of office that I would preserve and defend the Constitution of the United States, one provision of which is that Congress shall coin money and regulate the value thereof. Until we comply with this mandate in our Constitution and bring the value of our gold dollar under the same degree of regulations that the other leading nations of the world exercise in maintaining the value of their money, I am convinced that we are merely putting porous plasters on the body of our patient already covered over with them, until there is no room left for any more of them.

From our neglect during 3 years that have just passed of this provision of our Constitution, we find ourselves now with property values in the United States dwindled to the extent of \$100,000,000,000. And it might be estimated roughly that in operating losses we are suffering to the extent of \$10,000,000,000 a year.

We need to distribute profits in this country to replace the losses that have followed from the neglect of our Government to attend to the economic situation I am here pointing out. We need to distribute additional profits. We are talking about curtailing acreage which is the source of our profit or should be under proper management of this matter. The present bill provides a method of distributing losses. I would point out that until we restore a profit basis to our industries there is no place where we can lodge these losses without destruction to our capital.

The extremely complicated nature of the means employed in this bill cannot be carried out through human agencies without more confusion and uncertainty. You can decrease acreage on a given farm and yet increase production by intensive cultivation whereby each acre will yield more. This bill also implies a bureaucratic establishment with authority vested in untrained and untried agencies that cannot but lead to unsatisfactory conditions as affecting the regulations under this law. I am strongly opposed in principle to building complicated man-made machinery for

the regulations of economic affairs because if there is one lesson to be learned by the experience of government in history it is that the complicated man-made machinery inevitably breaks down.

The simple operations of economic law, if given full play, bring about adjustments automatically without any change for injustice, impartiality, or tyrannical dictation.

The whole measure, to my view, is going in exactly the wrong direction. It is unsound in its fundamental aspect. It seems to me to be aimed at the very heart of the prosperity of this Nation.

This bill is another relief measure. It is not a remedy. It does not remove the causes of our troubles. It does not provide employment. It does not restore profits. It does not restore commerce. Above all, it does not remove the false yardstick of measure that is bound to destroy business in any country situated in the economic position of the United States.

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. SANDLIN].

Mr. SANDLIN. Mr. Speaker, I shall support this measure and, different from most of those who have discussed it, I shall not condemn it.

The only question I think should be in the minds of Members of the House who want to do something for agriculture is that if you do not vote for this bill and pass it, will anything else be done? Are you going to say you are content with the situation prevailing in agriculture today?

I have neither the time nor the inclination to try to point out to this body of intelligent men the situation agriculture finds itself in today, because every 5-year-old child in America knows it. What good would be accomplished by taking up the time of the House to tell the country the condition in which agriculture finds itself when everybody knows it? The proposition is plain to Representatives who come from the industrial centers, and it is plain to every 5-year-old child in America that unless the buying power of the farmers is increased they cannot purchase manufactured articles from the industrial centers of America.

No help can come, as I see it, unless some legislation is passed which will give increased purchasing power to the farmers of America and to the people in the sections depending upon the farm.

We have but one thing to do, as I see it, and that is to support this measure.

As in the case of all laws, the success of this one will depend upon its administration. If this bill is administered honestly and intelligently, there is no reason why great benefits cannot come from it. Are we going to say to the President of the United States, whom we have been following and whom we believe in, that we are not going to give him the machinery he asks for to try to relieve agricultural conditions in this country?

I gladly support the bill, with the hope that much benefit may be received from its sympathetic and intelligent administration. [Applause.]

Mr. FULMER. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, the Members of this body are familiar with my efforts to better the conditions of those who toil and those who are in need of relief.

It is my understanding that our greatest trouble today is the lack of purchasing power on the part of the millions of our industrial workers and our farmers.

This bill, to my mind, and, from my reading of it, will place a purchasing power in the hands of American farmers which will help provide employment for our unemployed industrial workers.

When the farmers have money to spend—and, with the enactment of this bill, I believe that the farmers will have the money with which to repair their buildings, purchase equipment for their farms, buy furnishings for their homes—it means that our industrial workers will be able to obtain employment in the factories of our country.

Mr. Speaker, I hold in my hand an article from the current issue of the Country Gentleman, written by Harry R.

O'Brien, which article is very properly captioned "The Market Behind the Dam." I quote in part from this article:

A market big enough to restore national prosperity is in a state of suspension in this country today. It is the market of postponed wants and actual needs on American farms, wants and needs that have been accumulating until they have reached almost unbelievable proportions.

To see just how great this dammed-up market is I drove more than 2,000 miles back and forth across the Corn Belt—through Ohio, Indiana, Illinois, Wisconsin, and Iowa. I listened to farmers and their wives tell of their needs and what they would like to buy. Retail dealers, county agents, and others in daily contact with farmers supplied further information. Altogether, the facts make an amazing and moving story of withheld requirements. The totals, however, summed up, are staggering.

The means by which this pent-up buying power can be released constitutes one of the vital economic problems of the time, of direct concern not only to farmers themselves but to the whole structure of the Nation's business, industry, and finance.

"Will farmers buy these things they need?" a hardware merchant in a Wisconsin dairy district answered me. "My friend, they need so much. If the farmers could just get enough for their products—say, \$2 a hundred for milk and 6 cents for hogs, so they would feel they were getting ahead—they would come rolling in here and into stores everywhere to buy."

"They would buy and keep buying until there wouldn't be enough factories in the country running night and day to keep up with the demand."

This article proves that the farmers of America will spend many billions of dollars if and when they are able to receive for their crops more than the cost of planting and harvesting.

This article was written after a 2,000-mile survey of our farming sections and shows that in one State alone the farmers would spend \$200,000,000 if they had the money. This money would be spent for repairs to buildings, for equipment for the farms, for furnishings of the homes, and for clothes for the wife and the kiddies. There is only one way in which these farmers can secure this most necessary money, and that is to be put in a position wherein they can secure for their crops more than the cost of planting and harvesting.

Mr. Speaker, I am for the American workers, be they engaged in industry or in agriculture.

This bill will eliminate the necessity of many thousands of our farmers being forced to compete with the near-slave labor of foreign countries and, Mr. Speaker, I am for America and for Americans.

I have received hundreds of letters and telegrams from those who are in opposition to the passage of this bill. One of the favorite cries of those who oppose any legislation beneficial to the workers and to the farmers is to claim that the bill is unconstitutional. We are all familiar with that form of protest. I am assuming that the committee would not have reported the bill if there was any doubt of its constitutionality.

Some Members of the House seem to hesitate about the licensing of processors. I want to call their attention to the fact that the American Federation of Labor has for several years petitioned Congress asking for the licensing of manufacturers. And, when all is said and done, what is processing but manufacturing under another name?

The provision contained in this bill to curtail the production of cotton had the support of the Members from my section when we passed the bill less than a month ago, and I have heard no objection to our action at that time.

In supporting this bill, Mr. Speaker, I am hopeful that those who represent the agricultural sections and who will be directly benefited by the passage of this bill will support a similar bill, which, it is my understanding, will be sent to us within the next 2 weeks by President Roosevelt and which will provide benefits for our industrial workers equal to those contained in the present bill for the farmers.

The bill for the relief of labor will give to labor a purchasing power, and I trust that we will have the support of the farming sections at that time. [Applause.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. Mr. Speaker, this bill is an elastic bill. There is a lot of complaint that Members do not understand the bill. There ought not to be anything difficult about it.

The language may be confusing, but the principle is not confusing. It gives elastic power to the Secretary of Agriculture to try several different plans, and, if he finds a particular plan does not work as to a particular agricultural product, he may desist in the use of that plan and try another one.

My good friend from Massachusetts takes exception to the fact that the bill is written by a professor. I will say one thing for my Republican friends. They have had a dislike for professors for a long time, since Prof. Woodrow Wilson was elected President of the United States. They took a distaste for professors then, and they still have it.

This bill will permit the Secretary of Agriculture to try the different plans proposed here.

As to the consumer, if the Secretary of Agriculture finds that this tax is too heavy a burden on the consumer or that the consuming public cannot absorb this tax, he is authorized to reduce or to abandon it altogether. The bill gives him wide range, which is something he will need in dealing with such a subject as agriculture, because there are so many kinds and varieties of products to be dealt with. To put him in a straitjacket in the administration of such a law means to invite disaster.

My policy since I have been in the House has always been to vote for any law that is a better law than what we have today. This situation is better than the one we have had in the past, and it cannot hurt agriculture because agriculture is at the bottom today.

So I think many of the fears that have been expressed here will never be realized, because we will have a sympathetic administration of the act. We have passed some good acts in the past, but they have not had sympathetic administration, and this is what is necessary to make a success of any measure; and if the Secretary of Agriculture is given proper authority, then he can carry out the object and the purpose of the legislation. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein six specifications made by Mr. Roosevelt, when a candidate for the Presidency, in a speech at Topeka, Kans., so that these specifications may be fresh in our minds.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

THE SIX SPECIFICATIONS

1. The plan must provide for the producer of staple surplus commodities—such as wheat, cotton, corn (in the form of hogs), and tobacco—a tariff benefit over world prices which is equivalent to the benefit given by the tariff to industrial product. This differential benefit must be so applied that the increase in farm income, purchasing, and debt-paying power will not stimulate further production.

2. The plan must finance itself. Agriculture has at no time sought, and does not now seek, such access to the Public Treasury as was provided by the futile and costly attempts at price stabilization by the Federal Farm Board. It seeks only equality of opportunity with tariff-protected industry.

3. It must not make use of any mechanism which would cause our European customers to retaliate on the grounds of dumping; it must be based upon making the tariff effective and direct in its operation.

4. It must make use of existing agencies and, so far as possible, be decentralized in its administration, so that the chief responsibility for its operation will rest with the locality rather than with newly created bureaucratic machinery in Washington.

5. It must operate as nearly as possible on a cooperative basis, and its effect must be to enhance and strengthen the cooperative movement. It should, moreover, be constituted so that it can be withdrawn whenever the emergency has passed and normal foreign markets have been reestablished.

6. The plan must be, insofar as possible, voluntary. I like the idea that the plan should not be put into operation unless it has the support of a reasonable majority of the producers of the exportable commodity to which it is to apply. It must be so organized that the benefits will go to the man who participates.

Mr. GIFFORD. I am speaking a few words on behalf of the industrial districts, which are probably as badly stricken as the farming ones. Figures put in the RECORD yesterday

show that 16 percent of the farms are mortgaged. I believe that the percentage is fully as large with respect to industrial localities.

First I shall refer to two of the principal promises made by the candidate for the Presidency.

He declared that any farm legislation should be voluntary in character, but ridiculed the suggestion of the Farm Board that farmers themselves voluntarily decrease acreage by one third. This present proposal is peculiar as a voluntary one, in that we are to "pay" the farmers to reduce their acreage, whereas if they do not decrease it they will probably be subjected to regulations to the end that they will not have access to the processors for the sale of their crops.

It would be foolish to think that, after the Department of Agriculture has entered into an agreement with the processors—with the resources of the Reconstruction Finance Corporation jeopardized in the undertaking—that farmers who would not come in should be allowed the same privileges of marketing as those who had agreed to cooperate.

The President promised that local cooperative organizations would be made use of in any attempt to aid agriculture, rather than any newly created bureaucratic machinery. This bill provides for the greatest bureaucratic machine and accompanying patronage ever contemplated in the history of our Government. Little authority would be granted to local organizations to deal with their own farmers in the bargaining process.

With regard to this "voluntary" scheme, if the farmers do not live up to every last detail in the way of regulations to be provided in the administration of the act, they will find it anything but "voluntary." There appears to be a fine for every infraction of the regulations. I am amused by the speakers all through the House who have been severely critical of this bill, but ended by saying that they intended to vote for it. Very few of you really believe in the measure.

The debate on the bill yesterday was introduced by an argument on the tariff. I want to caution all the new Democratic Members who have come here from Republican States not to be too easily inoculated with theories in favor of reducing tariffs. If you should dare to vote to decrease by one iota a tariff rate on any farm product you would promptly hear from your people back home. The President promised that he would not reduce agricultural tariff rates, while promising that those on industrial commodities would come down. Now he is proposing that the industrial sections of the country shall pay this exorbitant tax, even though their own situation is already as bad as is that of the farmers.

We are enticed to swallow this bill by means of the same bait which we have been offered repeatedly during all the years that I have been here, namely, that if the farmer can only be made prosperous somehow, then industry will prosper.

I want to remind you, as forcibly as I can, that if this scheme works after bargains have been made promising perhaps \$1,000,000,000 to the farmers for the acreage which they do not use, there will be no tax—under the terms of this bill it will have to be taken off—and there will be no revenue coming in to meet the enormous expense.

The industrial sections must bear the tax placed on the food which they require, but this tax will not be imposed on exports. The inevitable result will be that of providing cheaper raw material to be used by industries in foreign countries and cheaper food for their workers, which will make competition from that source even stronger than it is today.

This bill is followed by a proposal to refinance farm mortgages at a low rate and extend maturities, but no similar suggestion is made for the relief of those engaged in industries and trade, although it represents a much greater gross amount and has suffered as large a percentage of loss as has agriculture.

We can only protest. We are vastly outnumbered in this Congress, which is seemingly willing to rubber-stamp any-

thing to aid the administration in fulfillment of impossible promises made during the campaign.

[Here the gavel fell.]

Mr. DOXEY. I yield 3 minutes to the gentleman from Texas [Mr. TERRELL].

Mr. TERRELL. Mr. Speaker and Members of the House of Representatives, the strongest argument and the only argument that has weight in favor of this bill is the call to arms to follow our leader. Take away the leadership and prestige of the President and this bill could not command a corporal's guard. Men on the floor of this House have denounced this bill in scathing terms and then declared they would support it because it was the President's bill.

I say to you that I am a better friend to the President than they are. I declared publicly through the press for him for President 15 months before he was nominated, and I am still for him and will follow his leadership in all matters that seem to offer any relief for the people. But I want to protect him from his fool friends and save the Democratic Party from wreck and ruin, which the passage of this bill will bring upon it.

It strikes down every principle for which the Democratic Party has fought for 144 years, and establishes in its stead an autocratic government with a subordinate appointive officer as the dictator.

Agricultural relief is very important, but the preservation of our democratic government and its institutions is more important.

I am a farmer and feel the need of relief more keenly than most of you, since I have no other property than farm lands, and the returns from said lands will not pay my taxes.

I have supported the President's emergency measures because the special interests had wrecked the agricultural, industrial, and financial structures of the country and had pulled the house down upon themselves, like Samson of Biblical history, and something had to be done immediately to clear away the debris and rebuild the structure. The banks were closed, money was locked up, depositors could not get their money, and business was practically paralyzed. There was no time to wait and no time to deliberate.

These emergency measures are temporary expedients and must be reconstructed on a sound and permanent basis. If they are not, they will be like a house built upon sand and will fall when the winds of adversity and the rains of lost confidence beat upon them. And great will be the fall.

This Government cannot stand when built upon a financial structure based upon debts of the Government which can only be paid by pyramiding bond issues and heaping more taxes upon the people. The system will have to be changed or the whole structure will fall.

This agricultural relief bill is an admitted experiment which may prove a greater failure than the "noble" experiment, which both political parties are now pledged to eliminate from the Constitution and statutes.

I should like to support this measure if it could have been amended so that it offered any measure of relief, but the committee refused to consider some of the most important amendments, and a rule has been brought in under which there would be no chance to offer amendments upon the floor of the House. This being true, there is no way of perfecting the bill, and I cannot support it.

The declared purposes of the bill are all right, but they cannot be accomplished under the means provided, and we should stop conferring dictatorial powers upon administrative officers, for when these powers are once conferred they are seldom withdrawn, as shown by the fact that the war powers granted President Wilson have not been repealed.

It is declared that these autocratic powers must be conferred upon the Secretary of Agriculture to control crop surpluses and restore pre-war prices for agricultural products. Low prices and the present financial and agricultural debacle were not caused by crop surpluses. Overproduction in farm products has never produced a panic—has not pro-

duced this one and never will produce one. There is no overproduction of any useful article if the people have the money to buy it.

Underconsumption caused by low prices of farm products and loss of purchasing power by farmers and wageworkers have caused the surplus of the products of the farm and factory, and these surpluses will continue until buying power is restored to the farmers and wageworkers through better prices for farm products and better wages for laborers.

Criminal manipulation of the money market and criminal practices of the market exchanges produced this panic, and they will continue to produce panics until they are abolished or regulated and controlled by the Government so as to prohibit such criminal practices in the future. The people everywhere are crying out against these criminal practices and yet nothing is being done to stop them.

Samuel Untermyer, one of the greatest lawyers in the United States, has for years pointed out these unrestrained and criminal practices, and Congress and the States have done nothing to control them.

I am very glad that the committee has adopted one amendment that I suggested prohibiting all persons engaged in the administration of this act from speculating in agricultural products covered by this bill. This greatly improves the measure, and if I could have had one other amendment adopted to insure the accomplishment of the declared purposes of the bill I would have supported it.

Gentlemen, you certainly have not forgotten the losses incurred by the Farm Board in trying to boost the market by trading on the exchanges, and I am glad that a repetition of these transactions will not be allowed. Do not forget that the Government is spending millions of dollars teaching the farmers to make two blades of grass grow where one grew before, and the Farm Board comes along and asks the farmers to plow up one third of what they have already produced. Certainly the Government's wires are crossed somewhere.

The farm leaders who favor this bill and the continuance of the fool practices of the Farm Board do not represent the real farmers, and most of them are expecting to land a good job in the administration of this act if it passes. Not one of them or anybody else can tell how this act can or will be enforced to raise prices and benefit the farmers, and no man can accurately define the extent of the powers delegated.

Why is it so important to pass this bill without amendment? It is too late to get any reduction in wheat acreage this year, and not much reduction in cotton and other crops can be secured. Let us not repeat the failure of the Farm Board and other "noble experiments" and squander a billion dollars in a futile attempt to destroy a private marketing system, built up by a hundred years of actual business experience, and establish a half-baked experimental system on its ruins. The Secretary of Agriculture estimates that he will tax the dealers and processors \$800,000,000 to experiment with this new and untried plan. This is a sales tax in disguise.

No dealer has to take out a permit or pay the tax unless he wants to, and suppose a majority of them decline to take out this permit or license, but a minority of them take it out. I ask, then, will the Government strike down the business of the majority and destroy their life's earnings by fining them a thousand dollars a day and refusing to let them do business without a Federal license? I do not want the Government to tell me how to run my business, but if I engage in unfair practices to rob the people, the Government should step in and stop those unfair practices. And that is as far as the Government should go.

The dealers and processors are not going to pay that tax but will pass it on to the consumers or producers, or both, and it is questionable whether that tax can be applied in such manner as to raise the price of any farm products, and it will wind up with the loss of the money advanced by the Reconstruction Finance Corporation, which must be recouped from the Public Treasury by additional taxes upon an already bankrupt people. No one can estimate the

number of the vast army of high-salaried employees necessary to administer this act nor the amount of taxes levied upon the people in carrying out its provisions.

I should like to abolish the Farm Board, the Reconstruction Finance Corporation, and all governmental agencies engaged in private business, and take the Government out of business, but I fear we have gone too far to turn back. The Government will finally have to take over the railroads, as they will never repay the money borrowed from the Reconstruction Finance Corporation.

If we must enact this bill in an attempt to raise the prices of farm products, and I admit that they must be raised to restore prosperity, let us then take time to perfect it and pass a bill that will permanently restore agriculture.

Farming is a basic industry upon which our manufacturing and financial institutions are builded, and is of such paramount importance that we are justified in stabilizing it for the safety and security of the Nation. This is the only ground upon which such legislation can be based.

One of our great governors said, "Civilization begins and ends with the plow." I said in an agricultural address, "Farming must pay or the Nation will perish." Both of these slogans are axiomatic and one of our farm papers carries them at its masthead as a reminder to the public of their great importance.

I suggested another amendment to this bill to which many of you will disagree, but it is the only thing that will absolutely do what the bill is intended to do, and that is for the Government to guarantee a profitable price for cotton and wheat, the two great export crops that go abroad and bring back our balance of trade. In this connection, the tariff wall must be knocked down or lowered so as to permit other countries to sell us goods and buy our products.

The price of other crops cannot be guaranteed so easily as that of cotton and wheat; therefore they should not be included in the guarantee at present, but could be included after a successful trial of this plan. The Government guaranteed the price of wheat during the World War and did not lose a penny, so the plan is not new. It is a simple plan.

The Secretary of Agriculture would estimate the amount of cotton and wheat necessary to be produced in this country next year to supply the world's demand, taking into consideration the production of other countries under normal conditions. Then he would name a price for each product equal to the average pre-war price for 5 years immediately preceding the World War and agree to take the amount of each product at the price agreed upon; or he could take any other period of 5 years when normal conditions prevailed and prices were profitable. The main purpose is to keep the proper balance between the price of farm products and the price of other articles for which they are to be exchanged through the medium of money. With an adequate supply of money available for agricultural purposes and the prohibiting of gambling on the exchanges, there would be no need for farm legislation. The farmers ask no favors of the Government. They will take care of themselves if you will drive the moneychangers from the temple of the Government and make them take their hands out of the Public Treasury and let Congress assume its constitutional duties to coin money and regulate its value and distribute it to meet the requirements of the people.

Take the tax eaters (the Farm Board employees) and the horde of political agricultural advisers off the backs of the people and take their hands out of the farmer's pocket and there will be no cry for agricultural relief. There must be some relief for farm-mortgage foreclosures and for debts contracted under high prices, because it now requires four times as much cotton, corn, or wheat to pay these debts as it did when they were created, and money must be made cheaper or farm products made higher before they can be paid.

I will gladly support legislation to relieve this situation, but cannot support a measure that promises no relief, but proposes to build up a bigger and more expensive machine than that of the Farm Board, which is now discredited everywhere.

The Secretary of Agriculture should have contracts signed with all growers of these products, as authorized by this bill, to reduce the acreage and production to the allotted amount.

These contracts could be signed in 30 days by the existing Government agencies, such as county agents, postmasters, land-grant colleges, State departments of agriculture, and such agencies as banks, chambers of commerce, and other commercial organizations without any cost to the Government.

In my judgment, under this guaranteed price the Government would never have to take a bale of cotton or a bushel of wheat, because the dealers, manufacturers, and millers would at once recognize the safety and stability of this plan and could make contracts, without fear of great fluctuations in prices, like we have under the present gambling system. Future gambling on the exchanges has been one of the greatest causes of unstable markets and low prices. They sell hundreds of millions of bales of cotton and bushels of wheat, and no delivery is intended or made under these transactions, but everybody knows that heavy selling of futures lowers the spot market, as spot prices invariably follow the futures market.

The law of supply and demand ceases to operate when gamblers control the market. Why do not Henry Ford and General Motors sell their cars on the exchange? If they are essential to the marketing of cotton and grain, why does not the Steel Trust and other business organizations use them to sell their products? They do not use them, but they manufacture their products and name the price at which they are to be sold, and that price is a profitable price, or they would go out of business. All other concerns break and go out of business when they cease to make a profit, but the farmers stay broke all the time, and cannot go out of business, because the other fellows would starve. This being true, farming must survive if the Nation survives, and we are justified in naming and sustaining prices that will save the industry and save the Nation. [Applause.]

Mr. DOXEY. I yield to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. Mr. Speaker and gentlemen of the House, I represent a district in Detroit, the greatest automobile-manufacturing city in the world. Its future salvation depends upon an increase in the profits of the farmer, higher wages for the worker, and a smaller interest rate on mortgages. I am willing to stand by the President of the United States and vote to support this bill.

The city of Detroit (and the State of Michigan) for 4 long years has endured more suffering than any city in the country. We are dependent to a very great extent for our very existence upon the prosperity of the automobile and allied industries. The sale of the automobile and the employment of the citizens of our city are dependent, to a very great extent, upon the welfare of the farmer.

While I have no farmers in my district, as a Representative from a metropolitan area, I am willing to go to almost any length and support any legislation that will tend to increase the earning power of the farmer and which will tend to bring his standard of living up to one that the American people should be proud of.

I am willing to support our committee and its recommendations, and endorsements of our President on this bill, because he has displayed his courage by being the first one to declare that if this bill does not work he will be among the first to acknowledge it and ask for a change in this law.

Our country demands action, and now; and any step that we take on behalf of relieving any class of citizens who have been suffering and who have lost property and possessions which represent a lifetime of work and savings cannot be in vain.

Whether this bill accomplishes all that our President hopes it to accomplish or not, he has at least the courage of his convictions to at least try to better our condition. I am for him, with him, and shall support him with my vote on this measure, as it may help the farmers; and if it does, it will help to bring back to its normal place the automobile industry.

The automobile industry is striving for its very existence at this time. People employed in many of the automobile factories and especially the body shops of the city of Detroit are not paid a living wage. It is and has been an insult to our American civilization to ask urban workers to work for the average standard of wages paid in the automobile-body industry in Detroit.

If by the passage of this bill we can aid in any little measure the future well-being of our metropolitan workers, a vote for this measure would not have been in vain. I hope that in the very near future we may be able to devise some means whereby the small-home owner and the farmer may be able to refinance his home or his farm at an interest rate not to exceed 1½ percent. It is of the utmost importance that much of the earnings and profits of labor and the farmer be conserved unto themselves and not paid out as blood money in the form of interest to Wall Street.

To further distribute actual money throughout the country and in every city and hamlet, I recommend the payment of the adjusted-service certificates in legal tender, according to the provisions of the Patman bill, thereby giving to the soldier who fought in defense of his country the same rights as are now enjoyed by the banking industry in this country.

If this bill is not successful, I shall not hesitate to support such legislation as I think will remedy the defects in this bill we now have before us for consideration.

Mr. DOXEY. I yield 4 minutes to the gentleman from Illinois [Mr. DIRKSEN.]

Mr. DIRKSEN. Mr. Speaker and gentlemen of the House, I represent the Sixteenth Illinois District, the district that sent Abraham Lincoln to Congress in 1846. [Applause.]

I feel strangely at home in this body, for I sat here in the last week of the Seventy-second Congress, and I have attended all of the sessions of the Seventy-third thus far, and after hearing all the debates on the bill under consideration I feel like the two chaplains who were lost in the Argonne. They were lost at night. The heavy shells were coming over and airplanes were flying over them dropping bombs. They had gotten lost from their regular military organizations. They were wandering around in the mud and water of the shell holes, when they heard a voice from a trench saying, "Who in h— led that ace?" The chaplains got up and embraced each other and said, "Thank goodness we are among Christians." [Laughter.] I say I am like those chaplains, because nobody here seems to know what the bill is about, and I have some doubts about my own knowledge of the bill. [Laughter.]

They say Professor Tugwell does not know; they say that Dr. Ezekiel does not know; and I should not wonder but what the President of the United States, Mr. Roosevelt, himself, does not know what the content of the bill is. We are a good deal like the magistrate who was listening to a case. After the counsel for the plaintiff had finally wound up his argument, a young attorney representing the defendant started to argue. The magistrate said, "What are you going to do?" The young man said, "I am going to make my plea." The magistrate replied, "I do not want to hear your plea. When one man talks I can come to a rather sober conclusion, but when two of you get up and submit argument I get confused and do not know what it is all about." I think some of us have been confused about this bill. The only thing is to come back to the bill itself. I realize it is not up to expectations. I think it is a good deal like the stockings that the negro lady bought down here in Washington. They did not fit, and she took them back. The clerk said, "What is the matter? Do not they come up to expectations?" She replied, "Lawdy, boss, they do not even come up to my knees." [Laughter.] I think that is the way with this bill, as a matter of strict fact. It does not come up to expectations; but if you will compare this bill before us now with the committee print submitted to this House in the first instance, you will find that on page 4 of this bill, in line 7, it reads:

The Secretary of Agriculture is hereby authorized to enter into contracts—

And so forth. The original committee print read:

The Secretary of Agriculture is authorized and directed—

And so forth. The "directed" has been stricken from the bill under consideration, so that it has not got very much power. If it has not got teeth, I should say it is eminently safe to vote for the bill. But I am going to say this to the Members of this House:

When the stentorian voices begin to respond to the Clerk, as he calls the roll, you should do like the Irishman who fell down the steps of the House Office Building the other evening when it was raining. He had a bottle of that good old Maryland rye in his hip pocket. He fell down, and as he got up he felt something trickling down his leg, and he said, "Begorra! and I hope it's blood." [Laughter.]

And all I can say to the gentlemen of the House is that as you respond to the roll call you say, along with your vote, "O boy! I hope it works." [Applause.]

Mr. DOXEY. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD. Mr. Speaker, since 1921 the plight of the American farmer has been recognized, discussed, weighed, and considered. But nothing has been done to halt agriculture's march to ruin. From 1921 to 1929 we experienced a false prosperity, based on wild speculation, hectic industry, and crooked banking. At the same time the agricultural and mining industries languished.

We were living then in a fool's paradise, with all the gayety and glitter of the jazz age. The administration then in power was convinced that prosperity was possible, while agriculture lay prostrate. There was much talk about farm relief, but there was no intelligent action to produce that relief.

In March, 1929, while farmers saw themselves tottering to inevitable ruin, we were told that all was well, that we were entering on a new economic era with higher standards of living and unexampled prosperity. Our friends on the other side of the House then applauded that fallacious statement. In doing so they forevermore disqualified themselves as judges of economic conditions, including the farmers' plight.

The unsoundness of their philosophy is due to an inherent inability to grasp the plain economic fact that unless our farmers prosper, the Nation cannot for long be prosperous.

This bill has the sound economic aim of restoring agricultural prices and thus the purchasing power of the farmers of this Nation. Restored purchasing power is the keynote to the return of good times.

It will stimulate business, create employment, rescue the debtor from his inability to meet his obligations, safeguard the creditor, and stimulate returns on all investments.

Why quibble over this and that in the bill? Why bring forth destructive arguments based on fear and lack of faith in America?

This bill is constructive—not destructive. It is designed to aid and relieve, to stimulate and revive. It puts no burden on the individual consumer. It promises restoration and insures at least a crop for the coming year.

Behind it is the man in whom all America has faith. I, for one, am willing to go all the way in my support of this courageous man and his courageous program. [Applause.]

Mr. DOXEY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HOEPEL].

Mr. HOEPEL. Mr. Speaker and Members of the House, I oppose this bill because, as I view it, it is contrary to the law of God as well as man. I notice in the bill that production of animals is to be curtailed or put under control. I am surprised that human birth control is not included in the same measure. I contend that we have no right or power to legislate to control or seek to limit the income of a producer, as we are attempting to do in this bill. If we have a right to limit the income of a producer, how much more right have we to limit the income or control the income of the nonproducer—the bankers—and members of the stock exchanges, who have brought the farmer to his present status? We are seeking here to give the farmer an in-

creased income, and we all admit that he should have an income. From whom is he to receive this income?

We have a national income today of I do not know how many billion dollars. The farmer is to receive an increased income and it is to come from the American working people, the very people whom just a few days ago you voted to take from the Federal pay roll, and the veterans, from whom it is proposed to take \$500,000,000 of their earned and justly due compensation and pension. You cannot build up the farmer, except merely temporarily, unless you build up the income of the entire Nation, and you can build up the income of the entire Nation if you will take the huge profits from bankers and restore those profits to the American people. Congress has the power and the right to control and coin money, and it should certainly have the right to control the profits of bankers. If you wish to put the farmer on his feet, let us do as some of the Republicans indicated yesterday, do it by direct loans at low rates of interest, and most of all, let us issue \$5,000,000,000 and put the unemployed to work. If you will do that, the problems of the farmer will dissipate into clear air, and also, while you are about it, why not pay the soldiers' bonus, which is justly due them?

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. FULMER. Mr. Speaker, I yield now to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Speaker, I hail from an agricultural district in California. It is as large as four of the eastern States—Massachusetts, Rhode Island, Connecticut, and Delaware. It so happens that the largest living things in the world are in my district, and it so happens that the highest point in the United States, that of Mount Whitney, overlooks the great area which I represent. My district reaches from the snow-crowned Sierras to the sea. Those mighty snow-crowned peaks are standing there silent and watchful guardians, insuring wealth and happiness to the 300,000 people in my district.

But somehow or other during these years of misrule and misguidance our people are prostrate at this time, and from those 300,000 across the continent today is coming the cry for help upon the part of this Congress. To my desk come literally scores of telegrams asking that this Congress give to this agricultural area some assurance of relief and some hope. I believe it would be wise for this body at this time to support this measure, for it holds out some hope and some encouragement to this agricultural district of mine and to the hundreds of others of this Nation. So I shall favor this measure because my people are anxious for this relief. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from California [Mr. STUBBS] has expired.

Mr. CLARKE of New York. Mr. Speaker, I yield 15 minutes to the gentleman from Pennsylvania [Mr. BECK].

Mr. BECK. Mr. Speaker, there is one very significant feature of this debate and that is that there has been, so far as I have followed it, no reference to any grant of power to the Congress by the Constitution, which would justify the passage of this legislation. If this were a bill that followed well-defined laws and could invoke a settled line of judicial decisions in its support and was not a bill, which, as the President has said, invites us to enter upon a "new and untrod path", then the absence of this primary question of constitutional power might be explained; but we are confronted with a bill, about which we are unanimous in one respect, that is, that it is the most extraordinary law that was probably ever proposed to the American Congress. Yet, with that common consent as to its unprecedented features, no one has suggested any pertinent clause of the Constitution, which grants to the Congress the power to pass this legislation.

The gentleman from California [Mr. HOEPEL] said a few moments ago that this bill was contrary to the laws of God and of man. He might have added with equal force, but perhaps he included it in the last of the two classes, that

it is indubitably in violation of the Constitution of the United States.

Let us recur to the very elementary principle, that for some years past has been ignored in this body, that the Constitution never vested in the Congress any power in respect to agriculture as such.

In the Constitutional Convention an attempt was made to confer a federal authority over manufactures, but that was promptly voted down on the ground that it would be destructive of the limited purposes of the Federal Government; but no one had the audacity to suggest in the Constitutional Convention, although many of its members, including its illustrious presiding officer, George Washington, were farmers, that there should be a federal power in respect to agriculture as such. Notwithstanding the fact that a large majority of that convention were farmers, they, with the pride of the good yeomen of this country, nothing undervalued to the "good yeomen" of England, of whom Shakespeare speaks, never contended that there should be a federal power in respect to agriculture. How, then, have we any constitutional control over agriculture? Simply in respect to the interstate transportation of agricultural products or foreign commerce or legitimate taxation, and if this bill were limited to transactions which were properly part of interstate or foreign transportation of agricultural products, or interstate commerce therein, it would then have some justification.

The only other theory, which may reconcile the Members of this body in respect to their constitutional powers in voting for this measure, is the suggestion of an emergency. I think of all the damnable heresies that have ever been suggested in connection with the Constitution the doctrine of emergency is the worst. It means that when Congress declares an emergency there is no Constitution. This means its death. It is the very doctrine that the German Chancellor is invoking today in the dying hours of the parliamentary body of the German Republic, namely, that because of an emergency it should grant to the German Chancellor absolute power to pass any law, even though that law contradicts the constitution of the German Republic. Chancellor Hitler is at least frank about it. We pay the Constitution lip service, but the result is the same. With that dictatorship the German Republic will for some indefinite time probably try to function.

Let me summarize some details of the bill by using the words of a recognized publicist, Mr. Mark Sullivan, when he said, in substance, that—

The Secretary is empowered "to enter into marketing agreements with processors or producers of any agricultural commodity", "to issue licenses", "to suspend or revoke such license", "to exclude any processor not licensed under penalty of a fine of \$1,000 a day", "to provide for reduction in the acreage of any basic agricultural commodity", "to fix prices for farm products equivalent to prices during the pre-war period, August 1909 to July 1914"; "to establish State and local committees or associations of producers to act as his agents"; "to levy, assess, and collect * * * a tax to be paid by the processor", "to change this tax at will, to abate or refund taxes, to borrow from the Treasury. The Secretary is even empowered to levy, assess, and collect duties upon imports into the United States upon commodities which, within the United States, are subject to the processing tax. "Such duties shall be in addition to any other duty imposed by law." A special set of powers having to do with cotton gives the Secretary authority "to buy cotton", "to sell cotton", "to borrow money on cotton", "to enter into contracts with producers of cotton", "to deliver to producers of cotton "nontransferable option contracts", to be exercised by producers who reduce their acreage.

Thus we are making the Secretary of Agriculture a czar for the agricultural interests of the country, with a power not only over the American farmer, who once had great pride and self-respect—and I believe still has—but we are giving him a power such as was never dreamed before over the products of the farm and over the processors who convert them into useful commodities. What is the result then? We confer upon the Secretary of Agriculture these powers to determine who shall take part in any processing business, because the power is given to him to license, and, if he refuses to grant a license, anyone who attempts to pursue a

legitimate business of processing can be indicted in the federal courts and fined \$1,000 a day for daring—God save the mark—to engage in a legitimate business interest without the visa and permission of the Secretary of Agriculture.

Do you realize that a year ago the Supreme Court of the United States said that that could not be reconciled with the fundamental liberties of the American citizen as guaranteed by the fifth amendment as to the Federal Government and by the fourteenth amendment as to the people of the States; for in a case that came up from Oklahoma the legislature of that State provided that no one should engage in the ice business unless he got a permit from the Corporation Commission? The Supreme Court of the United States said that the business of engaging in ice was a legitimate business, that it had no suggestion of a public utility that gave any larger governmental power, and that therefore it was to take from a man the right to life, liberty, and the pursuit of happiness if he is denied the right to engage in any legitimate calling without first asking the permission and getting the visa of the Corporation Commission of the State of Oklahoma.

Mr. JONES. Will the gentleman yield?

Mr. BECK. Yes; I yield.

Mr. JONES. In this particular bill the license applies only to those engaged in interstate commerce or in the current of interstate commerce, whereas the instance of which the gentleman speaks is a local matter.

Mr. BECK. It was local, but as I understand this bill, anyone who processes agricultural commodities must obtain a license from the Secretary of Agriculture.

Mr. JONES. I think the gentleman will find it is not quite that broad.

Mr. BECK. The gentleman from Texas is far more familiar with this bill than I am. If my statement is wrong, I am wrong, but it does not alter the fact that the Secretary of Agriculture is given unprecedented powers in respect to the intermediate practice of processing. Moreover, even if the license system is confined by the act to interstate commerce, yet the Supreme Court has never sanctioned a doctrine which would require a governmental license to engage in interstate commerce unless it was a public utility like the stockyards. The taxes assessed by the Secretary of Agriculture on processing do not go into the Treasury for the general benefit of the Treasury but are turned over to a special class of the American people, thus robbing Peter to pay Paul; and that is a gross perversion of the power of taxation.

I could not pretend to exhaust the constitutional objections to this bill. They are many and varied. I have hinted at two: one, the lack of power to deal with agriculture as such, except insofar as its products go into interstate commerce; and, I referred to the extraordinary power over the legitimate business of processing, which is given to the Secretary of Agriculture, which makes him another Stalin over agriculture. Just as the Russian dictator controls the unhappy farmers of Russia, so, precisely, the Secretary of Agriculture is now to be lifted up on a supreme throne of power and made the most powerful official of the Government, measured by practical effects, by the powers thus conferred upon him.

I may say, without pretending to argue the unconstitutionality of the law, that this aspect of the question that the bill will be passed whether it is consistent with the Constitution or not confronts every thoughtful man with this portentous fact: The Constitution of the United States, insofar as it prescribes the mechanics of government, still lives; the Constitution of the United States in respect to certain personal limitations that are to protect and safeguard the liberties of the individual still lives; but the Constitution of the United States, as a restraining influence in keeping the Federal Government within the carefully prescribed channels of power, is moribund, if not dead. We are witnessing its death agonies, for when this bill becomes a law, if unhappily it becomes law, there is no longer any workable Constitution to keep the Congress within the limits of its constitutional powers.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. BECK. I yield.

Mr. LOZIER. The gentleman is a great constitutional lawyer and I always listen to his addresses with interest and profit.

Is it not true that in the development of our governmental structure and in the evolution of our complex civilization in America our people and courts have traveled far from John Marshall's and Alexander Hamilton's conceptions of government and construction of the Constitution? Is it not a fact that in the last hundred years the constitutionality of many of the most important and far-reaching laws has been challenged when they were first presented in Congress, and the constitutionality of which laws was afterward established? I refer particularly to the legislation that followed the great Civil War.

Mr. BECK. I do not want to interrupt my friend, but my time is limited and I yielded for a question only.

Mr. LOZIER. Is it not true that the courts have been construing the Constitution more liberally in the last 50 years than in the early days of our Republic, and are not our courts, whenever it can be done without doing violence to the plain mandate of the Constitution, construing that great document in the light of present-day problems, in order to accomplish much-needed reforms, better serve the citizenry, and promote social justice, on the theory that the purpose of all just governments is to promote the interests and welfare of the people; and have we not traveled far from the old rules or canons of construction formulated by Marshall, to which the distinguished gentleman so eloquently and convincingly appeals this afternoon?

Mr. BECK. We have traveled far from Chief Justice Marshall—the more the pity—but the gentleman from Missouri is right, in my judgment, and I agree with all he has said as a statement of fact. There is no such thing as a static Constitution, as it is of necessity a living organism, and it has always responded and must inevitably respond in a democracy to the profound changes of a mechanical civilization; but there must be some limit unless you are willing to agree that we are not living under a government of limited powers but under a government of unlimited powers. If the concluding sentence of the statement of the gentleman from Missouri is correct, namely, that whatever is for the general welfare of the United States—and that means whatever Congress deems for the general welfare of the United States—is a justification of any legislation, then we have no Constitution; its form has survived, but its substance is gone; it is, as Chief Justice Fuller said in a notable opinion:

It is with governments as with religions, the form often survives the substance of the faith.

When our Constitution was framed a wise and powerful ruler, Frederick the Great, said that no federated government was possible in a country of widely scattered communities, whose economic interests were conflicting. The Fathers of the Republic sought to meet this objection by confining the Central Government to well-defined channels of power, and these were prescribed in words of such admirable clarity that they have won the admiration of the world; but the doctrine today that animates this Congress—Senate and House—for years past is that the Constitution is a beautiful thing to respect and occasionally read, but as a practical force in restraining unconstitutional legislation it is nonexistent. Whether the Union can survive the destruction of the wise restraints of the Constitution is a question that must now seriously interest all thoughtful men.

I recall a saying of a distinguished American philosopher, who once said—I quote from memory—that as he saw the American people gaily rushing with invincible optimism to the abyss of destruction, he seemed to be witnessing one of the greatest tragedies in the history of the world. This was not an exaggeration. We are fast wasting in a spirit of opportunism our noble heritage—the Constitution of the United States. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I recognize that there is quite possibly more question about the constitutionality of the licensing feature than any other feature of the bill. But I want to read the language of the bill in that respect:

To issue licenses permitting processors, associations of producers, and other agencies to engage in the handling, in the current of interstate or foreign commerce, of any basic agricultural commodity or product thereof, or any competing agricultural commodity or product thereof.

This same language was used in the Packers and Stockyards Act and was used in the Grain Futures Act, and was held to be constitutional because it only involved interstate commerce and the facilities that were used in the current of interstate commerce.

So there is a precedent for at least the insertion of this provision.

Now, as to the delegation of the taxing power, there may at least be some question there; but I remember that when the last tariff act was up in 1930 the gentleman from Pennsylvania [Mr. Beck] made a speech declaring that the flexible provisions of the tariff were unconstitutional. The Supreme Court disagreed with the gentleman in the case of *Hampton & Co. v. The United States* (276 U.S. 394). An effort was made to use practically the same sort of yardstick in the levying of the tax here that was used in that instance. At least the same method was used insofar as it was applicable.

Mr. BECK. Will my friend from Texas yield?

Mr. JONES. Yes.

Mr. BECK. The case of *Hampton* against *United States* was decided long before I made my argument against the flexible-tariff provision.

Mr. JONES. Yes.

Mr. BECK. And I have not changed my mind as to that.

Mr. JONES. But the flexible provision of the tariff to which the gentleman referred is still in the act and is still being administered.

Mr. BECK. That is quite true.

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Speaker, if I thought that the farmers of the fourth district of Iowa on November 8 voted for the program set out in this agriculture bill, I would vote for it here today, but I know that when they voted for me they voted for something directly contrary to this bill, and from my interpretation of the Democratic platform, upon which a great majority of this House was elected, we were all elected on principles directly in contravention of the principles upon which this bill has been drawn.

I want to read you a couple of planks from this platform:

We condemn the extravagance of the Farm Board; the disastrous action which made the Government a speculator in farm products, and the unsound policy of restricting agricultural products to the demands of the domestic market.

If this characterization does not exactly fit this farm bill, then I do not understand it at all. I have sat through all the hearings in the Committee on Agriculture, and listened to all the discussions and to the examination of all the witnesses and I cannot persuade myself that I would be doing the right thing by the people of my district or that I would be carrying out the instructions of my platform if I vote for this bill, and I shall vote against it.

Let me read another plank of the Democratic platform upon which we were elected:

We condemn the Hawley-Smoot tariff law, the prohibitive rates of which have resulted in retaliatory action by more than 40 countries, created international economic hostilities, destroyed international trade, driven our factories into foreign countries, robbed the American farmer of his foreign markets, and increased the cost of production.

Now, this bill sits on a foundation of a high protective tariff. This bill cannot be administered without a high protective tariff. No man can take the floor and tell you

that this bill can be administered unless we have a high tariff system. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield to the gentleman from Texas [Mr. STRONG].

Mr. STRONG of Texas. Mr. Speaker, I am going to support this bill, and am hoping it will bring much relief to the farmers of the Nation, for I believe agriculture is the principal factor in the commerce of this country, and when agriculture suffers all other business is bound to suffer. I am going to say at this time, I believe if the financial system of this country is properly administered it will bring the needed relief to the farmers, manufacturers, and all other business concerns of the Nation. It is as impossible for the commercial body to live without proper circulation of money as it is for the human body to live without sufficient circulation of blood. Therefore, when the circulation of money is abated, business is bound to die.

We see at this time our country full of food products and also an abundance of material for the manufacture of clothing; still there are millions of people in the United States at this time suffering from want of food and proper clothing. In other words, we have an abundance of all commodities, but the people have not the money with which to purchase these supplies. Therefore it must be plain to all that the cause of this depression throughout the Nation is insufficient circulation of money.

The Constitution of the United States says that Congress shall issue money and regulate its value. I submit to this House whether or not Congress is performing this plain, simple mandate of the Constitution or whether it has farmed out this principal function of government to a few unscrupulous manipulators who have not only ruined the agricultural interests of the country but have destroyed all business. I therefore claim if Congress will do its full duty concerning the issuing of money and regulating its value, all business, including agriculture, will experience great prosperity; and until the circulation of money in proper volume is brought about by Congress this awful depression now prevailing will continue.

I understand the President will shortly ask Congress to aid the farmer and other commercial interests by giving to the country a larger volume of money and am hoping Congress will act promptly in putting this measure into effect if the President asks for such legislation.

Mr. FULMER. Mr. Speaker, I yield to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, I believe in this bill and I am going to support it. This measure has been submitted by the President and has the hearty approval of practically all of the agricultural associations, cooperatives, and farmers' organizations. This measure has been carefully considered by our House Agricultural Committee, the members of which have almost unanimously agreed upon and recommended its passage. It is recognized that this is a far-reaching bill, having wide and almost unlimited powers. Under its provisions the bill will be administered by the Secretary of Agriculture, and, according to the general expressions heard here on the floor yesterday and today from both sides of the aisle, Mr. Henry Wallace, of Iowa, the Secretary of Agriculture, is recognized as one of the best-informed men on this subject within the United States.

FARMERS BANKRUPT

It is well recognized that agriculture generally is bankrupt; that we must immediately increase the purchasing power of the farmers if this body of people are to be saved from penury. In the committee report the object of this bill is clearly set forth in the following:

The bill seeks to establish and maintain such a balance between production and consumption of agricultural commodities and such conditions in the marketing of agricultural commodities as will give to such commodities sold by farmers their pre-war purchasing power.

If the basic agricultural commodities were now at price levels which would give them at farm prices a value equivalent to their pre-war purchasing power, the prices therefor would be approximately as set out.

Average price of farm products received by producers

Commodity	Price Feb. 15, 1933	Parity price as of Feb. 15, 1933
Wheat.....	\$0.323 per bushel.....	\$0.919
Cotton.....	\$0.055 per pound.....	.129
Hogs.....	\$2.94 per hundred pounds.....	7.530
Butter.....	\$0.184 per pound.....	.267
Milk.....	\$1.16 per hundred pounds.....	1.900
Beef cattle.....	\$3.31 per hundred pounds.....	5.410
Lambs.....	\$4.19 per hundred pounds.....	6.140
Rice.....	\$0.54 per pound ¹860
Tobacco:		
Burley.....	\$0.127 per pound ¹100
Flue-cured.....	\$0.116 per pound ¹141
Fire-cured.....	\$0.062 per pound ¹081
Cigar-leaf.....	\$0.105 per pound ¹120

¹ Tentative estimate.

INCREASE BUYING POWER

While I do not agree with all the different provisions of the bill, I believe it will be honestly and fairly administered for the rights of the farmers; and if it does not prove satisfactory, it may be promptly changed. If we are to expect the return of prosperity, we must increase the buying power of the farmer as is proposed in this bill, and I trust it will have the unanimous support of the House.

Mr. FULMER. Mr. Speaker, I yield to the gentleman from Georgia [Mr. DEEN].

Mr. DEEN. Mr. Speaker, I am going to vote for this bill for the reason that the President says that if it does not work he will recall it. It cannot make farm conditions much worse but will perhaps make them better. The farmer has been relieved of his farm, his home, and other property. We must have a new type of farm relief.

Again, I shall vote for it because the farmer has been stabilized through all the years, having been taken from his home and put in the stable; and I, being one of the millions of farmers who have traced the furrows almost every year, now demand consideration rather than stabilization.

I am proud of the fact that I am one of the farmers who know that prosperity is not around the corner but in the furrow and will only return when the farmers are made prosperous.

I do not believe that any body of men or any group of people, such as this body, can expect prosperity in the United States to return until we shall have gone to the bottom of the trouble. The trouble is not that we need a specific class of legislation but that we need money in circulation.

The farmers of my district say that if you will help us put money in circulation the farm problem will solve itself.

We need to begin at the bottom. I do not know of but one thing in which we can succeed by beginning at the top, and that is digging a well.

It is therefore necessary to start at the bottom. There are enemies of the farmers in this Nation. International bankers and special interests have sapped the vitality of the farmers of the United States. I promised the people in my district that I would fight those enemies until hell freezes over, and play peek-a-boo with them around the icebergs, until the morning sun thaws out that institution and fighting time is good again.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. FULMER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Sisson].

Mr. Sisson. Mr. Speaker, I am not entirely in sympathy with this kind of legislation any more than I have been in sympathy with the kind of legislation involved in the Smoot-Hawley and the Fordney-McCumber Tariff Acts, but I am going to vote for this bill because after 12 years of Republican rule, the rule under that party which is admittedly and allegedly the savior of the farmer, we find him near the brink of ruin and it is necessary to apply a palliative. I am not in favor of this as a permanent kind of legislation, but I am not deterred from it by the lamentations of some of the gentlemen on the Republican side who are crying here because incidentally some worthy Democrats may get office

under the legislation. I wonder if those same gentlemen who are speaking of misuse of political patronage know that in the dying hours of the Hoover administration, when the banks of the country were closing, the Assistant Secretary of the Treasury, a Republican whom Mr. Hoover appointed, had time to dispense in the building of post-office buildings, three of them in my own congressional district, a sop of architectural work to the chairman of the Republican county committee who happened to be an architect, and that all over the United States.

The criticism made by the gentleman from Massachusetts [Mr. Treadway] and several other gentlemen on the Republican side that under this bill there will be a number of places for Democratic office-seekers and that these appointments are not to be made from the classified list under the civil service comes with very poor grace from those sources.

It is a notorious fact that it has been the policy of the Republican administrations from President Harding down to fill as many places as possible with Republican job-seekers without the benefit or aid of the civil service and then by Executive order place them under the civil service so that they would have a perpetual lien upon the offices to which they were appointed. In other words, the Republican administrations during the past 12 years have filled all the offices with Republicans and then built a civil-service wall around them so that they might have a mortgage on their jobs.

The Republicans now come in here and wail because it appears to them that the Democrats have taken a leaf from the Republican bible. I do not believe that it is the object of the present administration in the agricultural bill to create any jobs for Democrats or anyone else. If I did, I would vote against the bill. But inasmuch as some of the gentlemen on the Republican side are unjustly charging the administration with an abuse of political patronage, let me say that the principal adverse criticism that I have heard made against the Democratic Party generally, both by members of that party and by independents, is that they allow too many Republican incompetents to stay in office when there are perfectly good and loyal Democrats to take their places.

As an incident of the abuse of political patronage, and even the rules of decency and fairplay, let me point to the fact that in my own congressional district, as I have already stated, in the dying hours of the Hoover administration, when the banks of 46 out of the 48 States were closing, and even as late as March 4, 1933, itself, the Assistant Secretary of the Treasury, Major Heath, made contracts, or caused contracts to be made, with architects for the building and supervision of post-office buildings at Ilion, N.Y., at Rome, N.Y., and at Boonville, N.Y., although the services of such architects would not be required for several months to come.

The Republican administration made a contract for the post office at Rome with an architect by the name of A. L. Brockaway, of Syracuse. I do not know Mr. Brockaway, but I assume he is a deserving Republican. The Republican administration made a contract for the post office at Ilion with one R. H. Sluyter, an architect of Herkimer, N.Y., who is the chairman of the Herkimer Republican County Committee. They made a contract for Boonville, N.Y., with one William J. Beardsley, of Poughkeepsie, who also, I presume, merely by accident, is a Republican.

Mr. Beardsley, although not a resident of my congressional district, is well known there. Through the office of the attorney for the Board of Supervisors of Oneida County, one of the counties in my district, this same Beardsley was employed by the Republican Board of Supervisors of Oneida County to build the Oneida County jail at Utica, N.Y. It is a well-known fact that this building cost at least \$150,000 more than it should, and that, incidentally, the steel cells, which are exactly of the same type and kind as those in the police station at Utica, which was built at about the same period, cost 75 percent more than the ones placed in the police station. This additional burden was placed upon the taxpayers of Oneida County through the offices of the said

Beardsley. This same architect, Beardsley, was also employed, under the leadership of the attorney for the board of supervisors, in connection with the building of the county tubercular hospital in Oneida County. Architects, business men, and professional men in Oneida County protested, but they protested in vain.

Mr. Beardsley is well known throughout the State as a professional political architect. He is employed by Republicans where they are in control of the little local machines. His appointment and employment in the present instance were made in the full light of the knowledge that within the past 2 or 3 years he was indicted by the grand jury of Erie County in connection with public-building work upon which he was engaged in that county. He was tried but found not guilty.

The county attorney for Oneida County is one Harry N. Harrington, one of the Republican leaders in Oneida County, and the principal lieutenant of former Congressman Frederick M. Davenport, whom I defeated for reelection last November. I therefore cannot understand how these gentlemen on the other side can get up here and talk about the misuse of the power of political patronage, and I feel it proper to call it to their attention, as well as to that of the people of the United States, that the whole Hoover administration could take time out, when our financial and economic structure was tottering, to get in under the wire before the change of administration on the 4th of March, 1933, and fill all possible places with Republican jobseekers and to give as much pap as possible to Republican sucklings.

As a new Member of Congress, I have not had an opportunity to study carefully the provisions of this bill. I am obliged to take much of it on faith, knowing, as I do, that President Roosevelt, acting upon the investigations made by competent advisers, and upon the wishes of the leading agricultural economists of the country and a majority of the leading farm organizations, has recommended this bill to the Congress.

I do not know how well it will work. Generally speaking, as I have already stated, I am opposed to this class of legislation. I believe that the permanent relief which the farmer needs will come from a reduction of the tariff on the articles that the farmer has to buy, from the reopening of the channels of foreign trade so as to increase our markets, from measures designed for the refinancing of farm mortgages and the consequent lowering of the rates of interest which the farmer has to pay on his mortgage indebtedness.

But after 12 years of Republican misrule—12 years during which the Republican Party has posed, but falsely so, as the friend of the farmer; 12 years during which the Republican Party has given the farmer the same old bunk about the Republican protective tariff and has administered the hypodermic of Republican protection, the farming industry has been brought to such a condition that we are now obliged to give it a stimulant, if you please, a drug, to keep it alive until sane Democratic policies can be put into operation.

For these reasons, Mr. Speaker, I am going to vote for this bill.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. FULMER. Mr. Speaker, I yield now to the gentleman from Iowa [Mr. EICHER].

Mr. EICHER. Mr. Speaker, the brief time allotted to me permits only the barest summary of the reasons that persuade me to support the pending bill for agricultural relief.

I repeat here and now what I iterated and reiterated to the people of my district last year—that I will support with my voice and my vote any and every measure that affords any reasonable promise of bringing about higher prices for farm products. Intervening events certainly do not release me from that pledge. Official statistics tell the story that in my home county of Washington in Iowa, containing, as it does, a lower percentage of nonarable land than any other county in the State, the State and county taxes (exclusive of special assessments, interest on bonded indebtedness, and the various incidences of direct and in-

direct Federal taxation) for the year 1932 constituted 52 percent of the money value of the entire crop production of the county, whereas in 1929 they constituted only 18 percent thereof. Obviously, capital resources are rapidly being consumed, and unless the reservoir of gross income is replenished soon, complete repudiation and the utter breakdown of orderly government are inevitable.

The bill before us undeniably represents a sincere effort to bring about equality for agriculture with industry. To be sure, the decline in industrial-price levels since 1929 has also been so severe that mere equality is not enough, in view of the fixed burden of debts and taxes under which agriculture groans. Necessarily, both industrial- and agricultural-price levels must be raised to a point that will make the debt and tax load again bearable, that will bring about reemployment for labor, and will increase the general consumer buying power of the Nation. Prior to 1929, while general consumer buying power still remained at a relatively high level, I believe that through experiments with the equalization fee or the debenture plan in an earnest endeavor to arrest the steadily falling value of the farm dollar, equality in money return between agriculture and industry could measurably have been attained on a basis of approximate relativity with the existing debt and tax structure. The resulting unemployment and collapse in industry so accurately traced to the vanished farm buying power by the gentleman from New York, Doctor SIROVICH, would most certainly have been prevented.

It occurs to me to supplement the gentleman's comment on the changing proportions between agricultural and industrial wealth since the beginnings of our Nation. Where but from the soil came the increment between the 2 percent of colonial days and the 65 percent of the present day that industrial wealth comprised and comprises of the total wealth of the country? Since 1921, at least, there has been no such increment from the soil represented in money in its capacity as a measure of value. Is it any wonder that our reservoir of values is emptying so fast, and is it not clearly indicated that a greater proportion of those values measured in money must be allotted to agriculture? And, just as clearly, the volume of our dollars—whether metal, paper currency, or bank currency—in their capacity as media of exchange can and must be increased to and maintained at the point where the farm dollar will sustain a fair and just ratio with the debt and tax dollar for the payment of which agriculture remains obligated.

I could wish that the essential buying power of agriculture could be restored without resort to tax or subsidy, for in my opinion a sound, healthy, and permanent stabilization for the farmer can come only through the removal of price discriminations against him in the things he must buy and the elimination of artificial restrictions upon the movement of his products in the domestic and world markets. But under existing conditions and in this emergency of strangulation drastic remedies must be applied. The price-raising effects of this bill, coupled with adequate mortgage refinancing later to be supplied, will, I believe, enable the independent homeowners farmer to work his way hopefully from the lowlands of despair to the hilltops of a brighter day.

This measure contemplates the expenditure of no public funds except for administrative advances later to be repaid from processor taxes collected. I have faith that the President will promptly recognize and move to remedy any defects or inequities in the legislation or in its administration that experience may develop. I have faith that no more than a fair price will be paid for the cotton to be purchased from the Farm Board. I have faith that the substantial interests of all existing agencies engaged in the distribution of the commodities concerned will be fairly and equitably conserved. I have faith that the law will be administered economically and to the ultimate advantage of both producer and consumer. It will receive my vote. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. ARENS].

Mr. ARENS. Mr. Speaker, ladies and gentlemen of the House. We have been listening to so many Democrats and Republicans that it is probably proper to hear from a Farmer-Laborite at this time. I am going to support this bill. Yesterday my illustrious colleague from Minnesota, Mr. CHASE, stated that not one cooperative in Minnesota was supporting this bill. I have a right to speak for at least some of the cooperatives. I have been the vice president for the last 12 years of the Land O'Lakes Creamery Association, with which a good many of you are familiar. It is one of the outstanding cooperatives. They, together with the other farm cooperatives of Minnesota, had conferences last year to determine which legislation they should support. They also tried to determine what legislation they would propose themselves. They proposed the so-called "Minnesota plan". My organization took an active part, and we believe that through the Minnesota plan, by which the Government was enabled to rent land, the surplus would be eliminated and that better prices would thereby be brought about. We dairymen are not confronted with a surplus.

I represent a dairy section in Minnesota, right south of the Twin Cities, and all the crops that we raise are fed into milk cows and hogs. The dairy people are not confronted with a surplus, but we are vitally interested in bringing prosperity back to the cotton and the wheat farmers in order not to have them take up dairying, because it will take only a very little more to produce a surplus of dairy products. Therefore I believe that the feature of giving the Secretary of Agriculture authority to lease land and take it out of production will eliminate the surplus.

Another reason is that it gives the Secretary of Agriculture the right to license organizations and companies that market agricultural products. We find the following language on page 7 of the bill:

Such licenses shall be subject to such terms and conditions, not in conflict with existing acts of Congress or regulations pursuant thereto, as may be necessary to eliminate unfair practices or charges—

And so forth.

I believe the Secretary of Agriculture by licensing cooperatives or other organizations that deal with farm products may be able to eliminate this unfair discrimination that the dairymen especially have been confronted with. Discriminatory competition is liable to wreck a good many milk cooperatives in the big cities. I know you people in the East are familiar with unfair practices. I know the farm cooperatives in Chicago are confronted with it today. I know they are also up in my territory.

Another reason I am for the bill is that it places the power in the hands of one of our men. I have known Mr. Wallace for many years. I have read his paper for many years. He is one of our men. I know that he is not going to put into operation any regulation that will hurt agriculture. I know that he is going to be careful. I have all faith in him, and that is one reason I support this bill. I do not approve of all of the provisions. I am very sorry that the majority party did not give us an opportunity to amend the bill. I hope there yet will be a way to put in improvements. If we are not permitted to do it on this side, I hope the Senate will do it. In section 9 (a), where it provides for a processing tax to be used to bring the purchasing power of a commodity up to the same purchasing power which the commodity had in the pre-war period from 1909 to 1914, the bill here should be amended to bring the purchasing power of a commodity up to the present cost of production plus a fair interest on the investment. In section 10 the bill should be amended so no officer, employee, or expert could receive more than \$7,500 per annum in place of \$10,000, as now in the bill.

I agree with the gentleman from North Dakota [Mr. LEMKE]; the operation of this bill could not bring about a price for agricultural products that will restore our purchasing power. It should be the cost of production.

The SPEAKER. The time of the gentleman from Minnesota [Mr. ARENS] has expired.

Mr. DOXEY. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Speaker, ladies, and gentlemen, it is amusing to listen to the criticism offered by some against this measure, but practically every speaker concludes with the statement that he intends to support the bill. Criticism is a dangerous weapon, it carries force and conviction; but those who pursue the course of criticism never build and leave any monument of deeds accomplished. We all concede that this measure is an experiment, so confessed by the President, who sponsors this measure; if it proves to be bad, he and his party will be the first to repudiate it. This is even a radical measure, viewing the history of the past, but it takes radical legislation at this time to extricate us from the damnable condition surrounding agriculture.

Our Republican friends have criticized this bill, but, with all their criticism, most of them will line up and vote for it; and we know they will where they represent agricultural communities. They simply want to place themselves in a position, if the measure is not a success, so they can claim, "I told you so." Four years ago their party promised the farmers relief but gave nothing; they promised to place agriculture on an equality with industry, but as a result of their legislative enactments agriculture is prostrate. There is one thing sure about this bill—it will raise the price of wheat to 95 cents per bushel; it will raise the price of cotton to 12 cents per pound; it will raise the price of hogs from \$2.50 to \$7.50 per hundred; and it will likewise raise the price of cattle, rice, and dairy products mentioned in the bill. When these farm commodities rise in price it will naturally carry an increase in price in all other farm products.

The time has come when it is absolutely necessary that we should do something to relieve the farmer in order that he may at least receive more than the cost of production. If we will remedy the evil condition that exists in this Nation and leave the farmer alone, he will take care of himself. In the past the policy has been to "farm the farmer" instead of granting him relief. When the farmers of this country fail to prosper, industry and every other business fails to prosper.

It is contended by some that this bill gives a dictatorship to the Secretary of Agriculture. To a great extent that is true. Democracy has always stood for the rank and file of the people of this country, but this same Democracy has nerve and courage, when circumstances demand, to appoint a man as dictator whose heart and disposition are right in order to obtain results. A few days ago we gave the power of dictatorship to the President of this Nation over the banks of the country. Why should we refuse a dictatorship to the Secretary of Agriculture under the leadership of this same President for the farming industry of the country?

No one needs to be ashamed or apologetic for voting for this measure if he lives in an agricultural community or if he favors helping agriculture and the prosperity of this country. Those on the Republican side have criticized the procedure, saying that they did not have an opportunity to offer amendments. We have allowed 6 hours of debate, and if there is any provision of this measure that is not correct or that should be amended, why has not someone brought forth that particular criticism and suggested the amendment or that elimination which should be really considered? If I had any amendment to offer, or if I saw any serious objection to this bill, I would set it forth in an argument with a view that another body of this Congress would have an opportunity to take advantage of and to suggest that kind of a remedy.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. FULLER. I yield for a question.

Mr. CLARKE of New York. The gentleman understands we are forced to meet this measure under a rule where we are not allowed an opportunity for amendments?

Mr. FULLER. Yes; as I have just stated, that is true, but if there is any particular part of this measure that needs amendment, the gentleman from New York, who is the

ranking Republican member on this committee and who is always found fighting for agriculture, should have pointed out what part of this bill should be amended, eliminated, or remedied. In my opinion, the gentleman from New York, consistent with his record of the past in working for agriculture, will be found voting for this measure and is not really at heart opposed to the same.

Mr. WEARIN. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman.

Mr. WEARIN. Does the gentleman understand that the Farmers' Union, the Farmers' Bureau, the Grange, and other agricultural organizations are backing this bill?

Mr. FULLER. My understanding is that all of them are advocating the passage of this measure.

The gentleman from Massachusetts [Mr. TREADWAY], in his argument, asked the question as to whether or not the Agricultural Committee did not cut out the clause providing that this law should be administered by civil-service employees. I am pleased to state to the gentleman that the original bill did provide that the civil-service employees should administer this measure. We did not ask the President whether he wanted these men to so act or not. I, for one, take pleasure in saying that I took an active part in successfully insisting, along with the Speaker and the Democratic leader, that this clause be eliminated. I do not want it to be, and this measure is not going to be, administered by a lot of professional politicians nor by office men. We want it administered, as we are sure it will be, by practical business men engaged in agriculture, among whom will be many dirt farmers. We have learned from the Republicans and we still believe in the Jacksonian doctrine that "to the victor belongs the spoils." In this connection it might be well to say that we are not radical about the spoils in this kind of a measure, because it reaches the rank and file of the depressed people of both parties. Since last November, in particular, we have changed our lifelong opinion, to a great extent, and now conclude that there are a great, great many good Republicans in this country. Our great leader, appreciative of Republican support, has done what no other man dared to do; he appointed three men in his Cabinet who were formerly known as Republicans. We are pleased to know that the man who will administer this law, Secretary of Agriculture Wallace, was formerly a Republican, and his father was Secretary of Agriculture under a recent Republican President, but he saw the light and knew from experience and observation that the only way agriculture could hope or expect relief would be at the hands of Democracy. As a firm believer in the principle of Roosevelt and the relief that he has promised to this country, we have no fear that he will not honestly and fearlessly administer this law to the best interest of the greatest number. [Applause.]

Being a crusade movement, it is barely possible in a short time this measure may not be successful, but it is at least an effort in the right direction. The fact that the cotton spinners, the grain and stock exchanges, the stockyards, and the packers are against this measure lends strength and force to the righteousness and merits of this bill.

The real relief that the farmers need is much more important than that set forth in this measure. The burning necessity of the day is Federal legislation that will not only stop foreclosure of mortgages upon the farmers' homes, thus throwing these families into the public highways, but legislation, backed by this Government, that will allow the farmer to borrow money over a long period of years at a low rate of interest and give him an opportunity to catch up. A little over a year ago we loaned \$125,000,000 to the Federal land banks of this country, created and morally, at least, backed by the Government, in order that they would make new loans and extend credit to those who were behind with their payments. These banks did nothing to carry out the spirit of that loan but continued to foreclose, as they are today. Our President announces that he has such a program in process which he will present to Congress in the next few days. It is to be hoped that we

can go as far with agriculture in this relief as we have gone with banks, the railroads, and the other big financial institutions of this country. If we do not make an effort and if we do not give some real relief to the farmers of this country, whose homes are being taken away from them by mortgage foreclosures, we might just as well fold our tents like the Arabs and figure on retiring to the shades of quiet, peaceful, and domestic life. [Applause.]

Mr. DOXEY. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. MARLAND].

Mr. MARLAND. Mr. Speaker, I will vote for this bill.

I represent a great wheat-growing district in Oklahoma. I will vote for this bill intended by the President to relieve agriculture. But with greatest reluctance, because I believe it will not have the desired effect of increasing the farmer's income sufficiently to permit him to pay his taxes and mortgage interest and support his family.

I believe this bill, if it becomes a law, will increase the farmer's difficulties by giving him two bosses where he now has one—adding the political-enforcement officer to his present banker boss.

I do not believe that the farmers of my district want to curtail production. Nor do I believe in the necessity of curtailing their production if the markets of the world are opened to them by the remonetization of silver, and the purchasing power of the people of this country be enlarged by a reflation of currency and credit.

I will vote for this bill only because the President has asked Congress to give him the opportunity to experiment with the agricultural problem, and because he has promised to give up the experiment as soon as he discovers it to be unworkable.

However, it is my firm conviction that nothing will help the farmer to pay his taxes and mortgage interest and to hold on to his land except a revaluation of the dollar. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. DOXEY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Speaker, it would be presumptuous for me to challenge the accuracy of the statements or conclusions of the distinguished gentleman from Pennsylvania [Mr. Beck], who is universally recognized as one of the most scholarly and versatile men in the United States; but, as the gentleman was making his complaint about the Constitution being dead, I remembered that in 1886 the old historian, George Bancroft, issued a pamphlet in which he made An Appeal for the Constitution, and in which he claimed that the Constitution had been betrayed and assassinated in the house of its friends, when the Supreme Court of the United States in 1878 definitely and finally decided the *Legal Tender* cases, and held that Congress had the power to issue notes and make them receivable for all debts, public and private. I want to say to the gentleman from Pennsylvania that practically every great, forward movement in legislation in the United States in the last century has been prejudged and condemned in advance of its enactment as unconstitutional. Under the stress of the great Civil War Mr. Chase and President Lincoln were unable to secure the enactment of a national banking act, and it was debated in Congress from 1861 to 1863, when the exigencies of war forced its enactment.

The famous Legal Tender Act was first upheld by the Supreme Court in 1869 by a divided court, 5 to 3; then again in 1871, after a reorganization of the Supreme Court, this act was again sustained by a divided court, 5 to 4; and it was not until 1878 that the Supreme Court of the United States unequivocally and finally sustained the Legal Tender Act, and held that Congress had the right to issue notes and make them receivable for all debts, public and private, in times of peace as well as in war times.

The act creating the Interstate Commerce Commission, the act creating the Federal Trade Commission, and scores of measures in every decade of our national history have been viciously assailed as unconstitutional when they were

being considered by the Congress, yet when these laws were tested in the courts it was found that they violated no provision of our organic law.

It is not my purpose to discuss the constitutionality of the pending bill, some of the provisions of which I consider of doubtful validity. I am merely suggesting that great lawyers, like the gentleman from Pennsylvania, have often been mistaken about the constitutionality of laws that afterward received judicial approval. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Missouri [Mr. LOZIER] has expired.

Mr. DOXEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CHURCH].

Mr. CHURCH. Mr. Speaker, I asked for a moment of time in order that I may read a telegram I received today from California, which is a sample of many other telegrams I have received. It reads as follows:

Present conditions aggravate farmers, causing large membership in radical organizations in this district. Vitaly important pending farm-relief measures be passed to prevent outbreak among the farmers.

I submit, as long as such cries for help are coming from all over the United States, we ought to do something, actually do something, for the farmers, instead of talking so much. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am opposed to this measure—I shall vote against it. I cannot believe that the Senate will vote out this agricultural-relief trial balloon. It is going to sink over there.

Nobody wants to help the President more than I do in this great national emergency. I have proved that already. Every Congressman who voted for the economy bill which gave the President such tremendous power proved he was willing to follow the President when necessary. It nearly broke our hearts to vote for some of those provisions. The House had no opportunity to amend the bill. We had to vote for it or have no economy measure. We did it to balance the Budget. We were told that the Budget must be balanced to save the United States. This bill would immediately unbalance the Budget. It would close mills in your Southland and my Northland. It would give employment to people in foreign countries rather than in our own. It would increase the price of foodstuffs and clothing 25 to 50 percent.

It must be a very bitter pill for those who voted against the sales tax in the last session of Congress to accept this super sales tax on the necessities of life, a sales tax which would not have been placed on food and clothing, because food and clothing were exempted. It would be fairer now were we to place this super sales tax on food and clothing, to place sales tax on the luxuries of life which would tax the rich as well as the poor. You know, and I know, when we stop to analyze this bill, that the poor people of our districts are the ones who will pay this tax to a far greater extent than the rich. In Massachusetts alone it will add millions to the cost of food and clothing.

This is an enormously expensive bill. It will create real suffering. It is thoroughly impracticable. I am going to extend in my remarks some of the further reasons why I cannot vote for this measure.

I have been in Congress 8 years. I have watched legislation carefully since 1913. Never in all that time has a bill been so criticized or so condemned by faint praise, even by its supposed proponents. The chief refrain is "I do not like the provisions of the bill, but I am going to vote for it." No one thus far has been able to explain how it will really help the farmer. It is obvious from its high cost of operation it will hurt the taxpayer, to say nothing of the hardships it will work upon the man of very small means. I want to help the farmer. The Members from farming districts know that I have voted for measures which I believed might be of benefit to the farmers. They cannot doubt my sincerity.

I want to support the President. He has a tremendously difficult task. I expect to support him in every sound measure which he sends to Congress in this crisis. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CLAIBORNE].

Mr. CLAIBORNE. Mr. Speaker, I am unalterably opposed to the bill, and, of course, being opposed to it shall vote against it. [Applause.]

As a newcomer to this body I cannot comprehend the mental condition of men who criticize a bill and then wind up saying "It is a bad bill, but I will vote for it." [Applause.] To pass a bad bill is to make a bad law.

I say to my colleagues on the Democratic side, the bill will pass; but, if it passes in its present form it will accomplish one thing: The next President of the United States will be a Republican. [Applause.]

Mr. Speaker, the bill is so indefinite that a lawyer cannot comprehend what it seeks to accomplish. The bill is so un-American that it should not emanate from this House. The bill is so pregnant with possibilities for waste that it should not pass this House. You Democrats should reflect on the teaching of Grover Cleveland when he said that a public office is a public trust. If you propose to create jobs for the purpose of distributing the taxpayers' money to Democrats, and that alone, it was a mistake on the part of the people to send so many of you here.

Lastly, the bill is doomed to failure.

I make these statements as a city man, but I know nothing of dirt farming. The Chamber of Commerce of Kansas City circulated a form letter among 6,000 farmers, men tilling the soil, in Missouri, Kansas, Oklahoma, Texas, Colorado, and Nebraska, and the majority of the 6,000 farmers are interested in one thing only, and that is, getting legislation from the Congress that will save their farms from foreclosure. [Applause.]

Mr. ROGERS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. CLAIBORNE. I yield.

Mr. ROGERS of Oklahoma. Does the gentleman know how many farmers there are in the States in which the questionnaires were sent?

Mr. CLAIBORNE. Six thousand farmers were circularized. I will put a copy of the circular in the RECORD to rise up like Banquo's ghost to plague the Democrats. [Applause.]

The SPEAKER pro tempore. The gentleman will have to get unanimous consent to insert anything in the RECORD.

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the gentleman may be allowed to insert in the RECORD the matter he is referring to.

Mr. PATMAN. Mr. Speaker, reserving the right to object, will not the gentleman state how many farmers there are in the States he mentioned? He stated that 6,000 replies were received, but 6,000 out of how many farmers?

Mr. CLAIBORNE. Six thousand farmers in these different States answered.

Mr. PATMAN. But how many farmers are there in the States who might have been interrogated? Does the gentleman know there are over a million farmers in these States?

Mr. CLAIBORNE. Does the gentleman from Texas know that, or is he guessing?

Mr. PATMAN. I know it.

Mr. LAMBERTSON. Mr. Speaker, I object, because one question is prejudicial and does not state the facts correctly.

Mr. ZIONCHECK. Mr. Speaker, I object because it comes from a chamber of commerce.

Mr. CLARKE of New York. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, in the time allowed, of course, it is quite impossible to discuss this bill in detail. Indeed, one would have no right to attempt to discuss it in detail unless one had had 4 or 5 days or more than that in which to study its provisions.

I am not sure that I strike a responsive chord here this afternoon when I say that as one Member of this House I deeply regret that the House is permitting itself to be merely a funnel through which this legislation shall pass, in purely mechanical fashion, and thus leave it to another House, the Senate, to do the actual legislating. [Applause.]

For one, I am exceedingly grateful to the distinguished gentleman from Pennsylvania [Mr. BECK] for his remarkably clear exposition of the constitutional questions involved in this proposal. I shall not attempt to add to what he has said in this regard.

I may confide to you that my business is farming. It is my only business. I will admit to you that it is not a particularly happy business at this time; but from my own experience and observation in the farming business and then upon reading the provisions of this bill, literally I am staggered—I am staggered at the character of the proposals and the difficulties which will be encountered by the Government in endeavoring to carry them out. I am amazed that such a proposal with all its infinite ramifications should come from any administration for the exercise of the power of control, guidance, and compulsion over this huge industry. I visualize the immense bureaucracy that must be built up with its headquarters here in Washington, and its tentacles reaching all over this country, and as the gentleman from Kansas so well said a little while ago, reaching every back yard, endeavoring to control and to compel, Mr. Speaker, the citizens of this country in their millions.

It has been suggested here that remedies should be proposed by those who oppose this bill. It strikes me, and has struck me for many, many months, that the things that the farmers of this country need most of all are, first, reduction in taxation, and this is especially a local duty; second, any measure of relief which the Congress can afford to them under the Constitution of the United States in the matter of the interest on their mortgages; and, third, Mr. Speaker, and most important, in my humble judgment, is the taking down of that multitude of artificial barriers erected by governments all over the world, which are today stifling international trade.

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield to the gentlewoman from Kansas [Mrs. MCCARTHY] such time as she may desire.

Mrs. MCCARTHY. Mr. Speaker, much time has been given to this so-called "poll" conducted by the Kansas City Chamber of Commerce and some publicity given it through the press.

I want to read you a telegram in regard to this poll of so-called "dirt farmers". This is from the Jewell County Farmers and Merchants Club in my district and reads:

Urge support farm program; broad grant of power to administration; place agriculture in buying position. Suggest start on grain operators and packers who bear markets to discredit Government in business for farmer. Their propaganda scattered through grain and stock buyers country over and broadcasts by grain exchanges. Under circumstances Kansas City Chamber of Commerce poll is a farce. Farmers and merchants, however, want farmer in buying position. Please get this over to the Members of Congress.

Of course, as has been stated, our farmers are interested in refinancing farm mortgages, lower taxes, and other relief measures which will later come before us, but there are a great many farmers that do not even own their farms, and, therefore, have no mortgages or taxes to pay, but they are selling their commodities below cost of production, the same as the owners of farms, and they are interested in some immediate relief, and this bill will give it to them. [Applause.]

Mr. JONES. Mr. Speaker, I yield to the gentleman from Montana [Mr. AYERS] such time as he may desire.

Mr. AYERS of Montana. Mr. Speaker, as a farmer and rancher I arise with a brief and a plea for the farmer and rancher. For 12 long years their department of government has been administered by the Civil Service Commission and political farmers.

In answer to my colleagues across the aisle, who complain of the absence of civil-service provisions in this bill, I say it is high time to abandon civil service in the practical ad-

ministration of the Agriculture Department and place therein actual practical agricultural men. If this bill passes, that can be done, and I have faith that it will be done. [Applause.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. SHOEMAKER].

Mr. SHOEMAKER. Mr. Speaker, being an actual farmer myself, I may say I think this bill should have a little more time. I want to see the farmers get something just as quick as I can, but I think this bill should go back to the committee for a little reconsideration.

I know there are many features involved in the bill that I do not understand, and, of course, I do not know why I should, as it was written by people who know as little about farming as I do about this bill. I am just a farmer, and the farmers for the last 12 years have been given something. They have always been given something that has usually turned out the wrong way. I want to see them get something real this time.

With regard to this vast organization that is going to be built up to control the farmer—I will not say for patronage purposes, but to control his production—I want to call your attention to the fact that Congress passed a law permitting people to shoot a serum into a cow's tail to tell whether the cow was any good or not, so the packers could get her for nothing, and it took 2,500 National Guard men in the State of Iowa to test the cows on one farm; and if you are going to start a revolt of that kind through an autocratic method that is going to be perpetrated on the American farmers, this is a thing to be considered in connection with this bill, and it is a thing that is very liable to happen in America.

Just a few days ago in Des Moines the farmers met with the holiday movement and the Farmers' Union movement, and, to correct a statement that was made here a few moments ago, I may say that the Farmers' Union has not indorsed this bill and has not signed the statement about it. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker and Members of the House, the thing that has impressed me throughout this debate is that none of the proponents of the legislation will vouch for its practicability; none of them will assure the House that it is going to work; that it is going to give the farmer the relief that we want to give him and which he must have if he is to survive. In fact, every speaker who has appeared before you in behalf of the bill has done so with his fingers crossed, as it were. All of them say that it is an experiment, and that if it will not work we will try something else. My friends, that is just what we have been doing for the past 13 years—experiment, experiment. Members of Congress, I say to you that this is no time for experimentation. The need for immediate and effective relief is so urgent as to challenge the best efforts of this body. We have a remedy at hand that will give immediate relief. Why experiment?

This legislation should be entitled "An act to sovietize American agriculture", because that is just what it will do. Were this measure to go into effect in its present form, it would build up the greatest political machine in all the history of the Republic. Not alone that. It would restrict and further destroy the farmers' market, as if we have not already done enough damage to that market with the ill-advised and impracticable legislation we have passed in past Congresses in the name of agricultural relief.

The situation of the farmer is desperate and he must have help, but such legislation as is proposed here today will not help him. Indeed, it will but injure him. It is nothing more nor less than another bread pill for him to swallow. As a matter of fact, that is all that we have been giving him for the past 13 years. I cannot recall a single farm-relief measure enacted in the past decade that has given the farmer a nickel more for his butter or wheat, or a single penny on his hogs or cattle.

Now, if we really want to help the farmer, why do not we pass legislation that will refinance the mortgage on his

farm at 2 percent or 3 percent and over a long period of time? Also reduce his taxes. That will help him as nothing else will. [Applause.]

Mr. JONES. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. JONES. I want to say that the President has announced that he will in a short time send to Congress a message advocating the refinancing of farm mortgages. [Applause.]

Mr. KNUTSON. I thank the gentleman. I will give such a program my enthusiastic and whole-hearted support. Let me say to my good friend from Texas, for whom I have the highest regard and than whom there is no better friend of agriculture, that if such a proposition is passed by Congress there will be no more need for this legislation than there would be for five wheels on an automobile. [Laughter and applause.]

Mr. Speaker, let us face the issue squarely and without demagogery. The cause of the farmer's plight is largely due to the impairment of the city worker's purchasing power, also to the fact that he is being called upon to liquidate his obligations at a time when his products only bring a half and a third as much as they did when his indebtedness was incurred. In other words, it now takes 2 or 3 times as much products to liquidate every dollar's worth of indebtedness incurred as it did when times were flush and money easy. Notwithstanding this, his taxes have increased from 100 percent to 300 percent in that time; also he is paying just as much for his farm equipment as he did in time of peak prices. Cannot you gentlemen see where that leaves him? Do you wonder that we have farm holidays; that the farmers in the Mississippi Valley have in many instances banded themselves together to prevent farm-mortgage sales on the basis of present-day values—forcibly, if necessary? For 13 years he has seen himself slowly but surely sinking in the quagmire of bankruptcy. In that painful process he has from time to time been appealed to by demagogues and political self-seekers, who knew little of the whole affair and cared less, save as they could turn the situation to their own political advantage. That, my friends, is one of the reasons we find the problem on our hands today, and in so serious a form. Literally the American farmer has been betrayed in the house of his so-called "friends", as he has time after time been sacrificed to political expediency.

Mr. Speaker, the painful part of this debate has been the number of so-called "friends of the farmer" who have repeatedly declared that while they have little or no confidence in the efficacy of this legislation, they nevertheless must do something for agriculture, even though it be but a gesture. In other words, we are asked to give the farmer another "shot in the arm" to temporarily allay his pain. Ye gods! And you call yourselves statesmen.

Mr. Speaker, I am proud and happy to note that my old friend, Mr. LUNDEEN, of Minnesota, does not take that attitude. He and I came here together in the Sixty-fifth Congress. I well recall how he and I voted against this country entering the great World War. I recall how we were appealed to to stand by the President; how they waved the flag and called those of us who dared to stand for the common people and the best interests of our beloved country, unpatriotic; how the press reviled us—all at the behest of the international banker whose only care and concern was the protection of his European investments. Today, as then, Mr. LUNDEEN and I stand with the minority, but let me assure you that in so doing we also stand for the best interests of the American farmer. Let me say to you flag-wavers who are seeking to stampede this body into voting for this legislation, that if the Senate does not make some drastic changes in this bill, and it is put into operation in its present form, many of you who vote for it will be numbered among the missing after the next election. You cannot continually fool the American farmer. He is not a serf, neither is he so forgetful as some of you seem to think. He knows that this legislation would set up the greatest organized body of tax-eaters ever created in this or in any other country. Also does he know that he will not tolerate

dictation from bureaucratic Washington. He is not a Russian serf, neither is he one who will sell his birthright for a mess of pottage.

Again I say, let us refinance the farm indebtedness of this country on a fair and equitable basis. Senator FRAZIER, of North Dakota, has pending in the Senate such a bill, and I have a somewhat similar measure about ready to reintroduce in this body. Not alone must the farmer have cheaper money but his indebtedness must be scaled down to somewhere near present-day values.

Mr. Speaker, let us have done with bread pills and kindred remedies. Already we have squandered enough money on inefficacious farm relief to have financed one half of the farm indebtedness of America. What the hour demands and must have is legislation based on sound principles that will again place the American farmer upon his feet and make him independent.

Mr. Speaker, in conclusion let me say that I regret exceedingly that I cannot see my way clear to follow our beloved President and his able Secretary of Agriculture on this measure, much as I should like to do so. I entertain for these gentlemen the highest regard and greatest respect. It had been my hope that I would be able to vote for Mr. Roosevelt's entire rehabilitation program, but, unfortunately, in this instance I find that I cannot do so; because, in my humble judgment, this measure is inadequate and falls far short of our needs.

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, the gentleman from Illinois [Mr. BRITTEN] yesterday prefaced his remarks by the statement that he came to this House 20 years ago. If that is the case, I must have met him on my way out. [Laughter.] But after that long interim I am here to raise my voice for 2 minutes in support of this bill, and to briefly indicate the reasons why I am supporting it. A gentleman yesterday, in opposing the bill, read from telegrams of undisclosed origin some statements indicating that the farmers of the country were opposed to this legislation. In answer to this suggestion I want to read into the RECORD a statement from the report on this bill.

The principles of the pending bill were indorsed by a conference of 50 farm leaders, called by the Secretary of Agriculture on March 10, and including among others representatives of the American Farm Bureau Federation, the National Grange, the Farmers' Union—

The three principal farm organizations in the country.

In addition to that, I want to say that I have received telegrams and letters from farmers and farm organizations in my district asking me to support this legislation, and I have not received a single protest against it.

So much for those supporting this legislation. In my campaign in Colorado last year I disseminated a very brief statement of principles. My pledge to the farmers, and I think I can claim it as a model—

[Here the gavel fell.]

Mr. MARTIN of Colorado. Will the gentleman give me 1 minute more?

Mr. CLARKE of New York. Mr. Speaker, I yield the gentleman 1 minute.

Mr. MARTIN of Colorado. My pledge to the farmers was an example of brevity if nothing else. Here it is:

The farmers make up nearly 40 percent of the population of this country, but their organizations have never succeeded in getting a single piece of legislation on the Federal statutes. Why not give the farmers' program a trial? I will.

I say to you gentlemen that I am here today to redeem that pledge. [Applause.]

I am encouraged to believe that this House will give me the opportunity to redeem two more specific pledges to the farmers of Colorado—the amortization of farm debts and the remonetization of silver.

The main objection made to this legislation in debate constitutes its chief merit in my judgment, and that is the varied and elastic powers it confers on the Secretary of Agriculture to adopt, modify, or discard any or all of the principal plans for farm relief which have been proposed

in Congress; and I am not to be swerved by considerations touching congressional dignity or criticism of the arbitrary rule under which this bill is being passed. The people know little and care less about congressional dignity, and they know nothing and care nothing about congressional procedure. They want results.

All shades of opinion appear to agree that the Secretary of Agriculture, in whom these great powers are to be vested, is the best fitted possible selection to carry out this great task. Not the least of his qualifications is a viewpoint sympathetic to the farmers. For these considerations, Mr. Speaker, I shall support this legislation without reservation and without apprehension.

Mr. CLARKE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, I am very glad to hear the announcement made by the gentleman from Texas [Mr. JONES] that the President is going to present a bill to relieve the farmer from the high interest rates and an opportunity possibly to get from under immediate payment of his mortgages.

Mr. MILLARD. Do I understand then that the President is going to withdraw this bill?

Mr. REED of New York. I cannot answer that, because I know nothing about it. One of the things that disturbs the farmer today, as everybody knows, is the fact that he is burdened with an indebtedness of from \$13,000,000,000 to \$14,000,000,000. There are some things about the interest rates, of course, that the Federal Government cannot control. Men on this floor shed tears for the farmer—and he is entitled to sympathy, and he has my profound sympathy—but many of those men who have been shedding tears come from States where, under a system of credit known as the "landlord and merchant system", according to the reports of the Agricultural Department, the interest rate on loans to farmers runs 22.3 percent; and in one State, whose Members are crying the loudest for the farmer, the Agricultural Department reports that 92 percent of the loans made to the farmers come from that source.

Mr. SIROVICH. What State?

Mr. REED of New York. North Carolina. One other gentleman appeared on the floor from the State of Georgia, and he shed tears copiously for the dirt farmer. In his State, according to the agricultural reports, the interest rate is 24 percent. Before they come here and make too much noise about what the Federal Government is failing to do, some of these States ought to take at least some interest in their local people and see whether or not they can relieve the situation. If the State of New York should impose interest rates like that, there would not be a solvent farmer in the State. I hope the President's bill will take some notice of the situation in those States where the farmer is being gouged by the State itself in failing to curb the high interest rate. [Applause.]

Mr. CLARKE of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Speaker, the question before this House today is not whether this identical bill is going to become a law. As a matter of fact, every Member of the House knows that when it comes back from the Senate there is not a man here who will recognize it. From rumblings which have come to us from the Senate end of the Capitol it is indicated that the author of the bill himself will not recognize it when the Senators have finished amending it.

The question involved in the deliberations of the House at this time is whether or not there is going to be such agricultural relief for the distressed farmers of the country as can be extended through legislation of this character. There are many provisions in the bill I do not like. There is, however, one provision I do like, and that one is that, working through the Secretary of Agriculture and the Secretary of the Treasury, the President of the United States himself will administer the law, whatever it may be.

For years we have heard much in this Chamber about relief of agriculture. We have voted time and again for various measures of this kind without their becoming the

law. We voted for and put upon the statute books the Federal Farm Board law. We appropriated \$500,000,000 for that Board. We have seen \$350,000,000 of that sum dissipated without achieving results, other than assisting our farmers in the organization of cooperatives.

I voted several times for the McNary-Haugen bill. I have voted for every other legislation before this House that gave any hope whatsoever of relief for agriculture. It is a known fact, Mr. Speaker, that without help from somewhere, and soon, the American farmer will disappear as one of the bulwarks of our civilization. I say to you gentlemen, who hesitate and look for reasons why you cannot vote for this bill at this time, that you should remember that for the first time in recent years we have a man in the White House who is willing to really try out legislation of this character; a man who is willing to take the responsibility of the administration of the law, and who is willing to accept the responsibility for its enactment.

Further, the people of this country have given a mandate to President Roosevelt. They have expressed their confidence in him in no uncertain terms. They want him to do whatever he can to bring relief to our people everywhere. They want to try out the provisions of this or any other agricultural relief bill he approves. They believe he will administer the law wisely and without bringing distress upon any class of our people. I concur in this belief and am going to vote to give him that opportunity. [Applause.]

Further, Mr. Speaker, I am in accord with the gentleman from New York [Mr. REED], and I am happy to know that soon we will have before us for consideration a measure which will extend to the distressed farmers of the country relief in connection with their farm mortgages. Some such relief must be afforded them soon or they will be reduced to the status of the peasants of Europe.

Mr. CLARKE of New York. Mr. Speaker, to judge from a lot of hard-boiled heads around here, without hearts, evidently they do not know what is going on in agriculture today. I was up in my home district since this Congress convened, and I went among my people, as God-fearing a people as there is on the face of the earth. The fear is that some man may come along on horseback and do something to break down law and order in my beloved county, many urging a milk strike. Disregard for law has been evidenced in the great State of Pennsylvania only 2 days ago and in many other States, and this Congress cannot afford to hesitate about finding a remedy for this somewhere. I myself do not like a lot of the program that is in this bill. I dislike it as much as anybody else, but we have to follow somebody; and as far as I am concerned, having come right from my own people, promising them that I would back the President as far as I could in his emergency program, I say that I am going to keep faith of my pledge and promise to the people, however distasteful this bill may be.

Mr. HOEPEL. Mr. Speaker, will the gentleman yield?

Mr. CLARKE of New York. Yes.

Mr. HOEPEL. As a matter of information, I should like to know whether this bill provides a rental value to absentee landlords or to the legitimate tillers of the soil.

Mr. CLARKE of New York. Nobody knows exactly how far the authority goes, but I think there is that authority. As far as I am concerned, I am willing to trust the son of Henry Wallace, who was Secretary of Agriculture when I first came here. [Applause.]

Mr. JONES. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, first I want to express appreciation for the spirit with which the Republicans have responded in this great crisis. As to this bill, it is a radical proposition. It is the price which a people must pay for having neglected to meet their responsibility when they could have done it in the ordinary way. We have been dancing for 12 years like irresponsible children, and now we must pay the fiddler. However, the ability of a people to maintain a parliamentary system of government is not dependent upon their always being able to operate as representative systems of government usually operate. It is de-

pendent upon their ability to recognize when they face a great crisis and, if necessary, to utilize the more efficient but more dangerous powers of arbitrary government in dealing with that crisis; and, then, when the crisis shall have ended, return the Government to parliamentary control. Of course we want just as little of that sort of thing as possible.

We face in America a great crisis, as has just been said by the gentleman from New York [Mr. CLARKE], who has just addressed us. The whole economic and financial machinery is largely stagnant; municipalities and States, to say nothing of business institutions, are existing on money borrowed from the Federal Government, whose current expenditures during the past 5 years have exceeded its current income by more than \$5,000,000,000. We are at the very edge of the precipice. The President is trying to turn us around, to change our direction. There is no student of economic conditions in this country who does not recognize that the hope of this country for return to prosperity, for reversing our direction, for avoiding the plunge is dependent upon the return of prosperity in the first instance to the thirty-odd millions of people who till the farms of this country.

The second proposition is that we know as a matter of absolute fact that the economic structure of this country cannot endure the strain until we shall have a return of prosperity through ordinary processes. There is no human being in this country who does not know it. That is not the President's fault. He did not create these conditions. He has been called to responsibility to deal with them. We have got to give him some extraordinary power. Time is of the essence of things in this situation.

We expect this bill to be amended in the Senate.

The third proposition that confronts us is this: This man in the White House, the choice of the American people, is undertaking to turn this country in the right direction. We are now in the grip of war psychology, and it is fortunate, considering our circumstances, too, because under the influence of such psychology a people for the time being will forget differences and undertake unitedly to do things and do them quickly. This job is going to have to be done quickly or we will be around picking up the pieces. We must submerge differences and objections and pass this bill by a large majority. Nothing will be more helpful in this country than for it to go out to the country that on this afternoon the Congress gave to the country new evidence of the fact that the executive and legislative branches of the country are standing together. [Applause.] It is a condition and not a theory we are dealing with now. We cannot afford to weaken here that unity in the presence of this crisis. This is a delegation by the Congress to the Chief Executive of the country of certain powers to do certain specific things—I grant you, about all the powers we can give. We are trying to face about in the right direction. That is something. I believe that we are beginning a revival of the economic prosperity of this country. The thing to do is to keep it going. The most hopeful thing in the whole situation is that at last we in America—those from the North, such as the distinguished gentleman from New York [Mr. CLARKE], who today has shown himself a patriot and a statesman, and those of other sections of the country—are standing together. The gentleman from New York and my people from Texas are standing together.

At last we recognize that we are all in the same boat. The President is our President regardless of party or section. We recognize that we must speed up this activity. When we shall have voted this afternoon, notwithstanding the fact that we do not agree with reference to the details of this bill, notwithstanding the fact that many of us object to some provisions of this bill, we are going to demonstrate to the people of this Nation that the great legislative branch of the Government is able, in the presence of a national emergency, to submerge their objections and to compromise their differences and stand together.

Again I want to thank the Members of the Republican side of this House for their assistance. It is a great compliment to those who come to the Congress that we can have our differences and fight for our parties, but in the hour of our country's peril there are no lines of party cleavage. I remember during the war when James Mann, the Republican leader, an intense partisan but a great patriot, used to come down here where I stand and, forgetful of all else, throw the weight of his great influence behind the Chief Executive who happened to be a man of opposite political faith. In the 20 years I have been here I have never seen it fail, when this Nation faced a great emergency that the Members of the American House of Representatives were able to meet the test and play the role of statesmen. That is what we are going to do in just a few minutes. In our delicate situation, as I view it, it would be a tragedy of the first magnitude if by a defeat of this bill or by a close vote we demonstrate by that concrete example the lack of that unity here necessary to inspire the people with the hope, the purpose, and the determination to carry on, to work, and to sacrifice as they must if we are to win against that which threatens practically everything which makes for the peace, the happiness, and the greatness of this people. [Applause.]

The SPEAKER. The time of the gentleman from Texas [Mr. SUMNERS] has expired.

All time has expired.

Mr. LAMNECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAMNECK. When will it be in order to offer a motion to recommit the bill?

The SPEAKER. Not before the third reading of the bill.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. LAMNECK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LAMNECK. I am.

The SPEAKER. Is the gentleman a member of the committee?

Mr. LAMNECK. No, sir; I am not.

The SPEAKER. Is any member of the committee opposed to the bill?

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman desire to make a motion to recommit?

Mr. KNUTSON. No; I do not, Mr. Speaker.

The SPEAKER. The gentleman from Ohio [Mr. LAMNECK] qualifies.

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KNUTSON. Is any member of the committee sincerely for the bill?

The SPEAKER. That is not a parliamentary inquiry. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BIERMANN moves to recommit the bill to the Committee on Agriculture.

The SPEAKER. The question is on the motion of the gentleman from Iowa to recommit the bill.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 89, noes 197.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. KENNEDY of New York. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. PATMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATMAN. Is the demand for the yeas and nays on the motion to recommit or on the final passage of the bill?

The SPEAKER. On the final passage of the bill.

The question was taken; and there were—yeas 315, nays 98, answered "present" 1, not voting 17, as follows:

[Roll No. 8]

YEAS—315

Abernethy	Dickstein	Kleberg	Reid, Ill.
Adair	Dies	Kloeb	Reilly
Adams	Dingell	Kniffin	Richards
Allen	Dirksen	Kocalkowski	Richardson
Allgood	Disney	Kopplemann	Robertson
Arens	Dobbins	Kramer	Robinson
Arnold	Dockweiler	Kvale	Rogers, N. H.
Auf der Heide	Dondero	Lambertson	Rogers, Okla.
Ayers, Mont.	Doughton	Lambeth	Romjue
Ayres, Kans.	Doutrich	Lanzetta	Rudd
Bankhead	Dowell	Larrabee	Ruffin
Beam	Doxey	Lea, Calif.	Sabath
Beiter	Drewry	Lehr	Sadowski
Berlin	Driver	Lemke	Sanders
Blanchard	Duffey	Lesinski	Sandlin
Bland	Duncan, Mo.	Lewis, Colo.	Schaefer
Blanton	Dunn	Lewis, Md.	Schuetz
Bloom	Durgan, Ind.	Lindsay	Schulte
Boehne	Eagle	Lloyd	Scrugham
Bolleau	Eicher	Lozier	Sears
Boland	Ellzey, Miss.	Ludlow	Secret
Boylan	Faddis	McCarthy	Shallenberger
Brennan	Farley	McClintic	Shoemaker
Briggs	Fernandez	McDuffie	Sinclair
Brown, Ky.	Fitzgibbons	McFarlane	Sirovitch
Brown, Mich.	Fitzpatrick	McGrath	Sisson
Browning	Fiannagan	McGugin	Smith, Va.
Brunner	Fletcher	McKeown	Smith, Wash.
Buchanan	Focht	McMillan	Smith, W. Va.
Buck	Ford	McReynolds	Snyder
Bulwinkle	Foulkes	McSwain	Somers, N. Y.
Burch	Frear	Major	Spence
Burke, Calif.	Fuller	Maloney, Conn.	Stegall
Burnham	Fulmer	Maloney, La.	Strong, Tex.
Busby	Gambrill	Mansfield	Stubbs
Byrns	Gasque	Marland	Studley
Cady	Gavagan	Marshall	Sullivan
Caldwell	Gibson	Martin, Colo.	Sumners, Tex.
Cannon, Mo.	Gilchrist	Martin, Oreg.	Supphin
Carden	Gillespie	Mead	Swank
Carley	Glover	Meeks	Sweeney
Carpenter, Kans.	Gray	Miller	Tarver
Cary	Green	Milligan	Taylor, Colo.
Castellow	Greenwood	Mitchell	Taylor, S. C.
Celler	Gregory	Monaghan	Taylor, Tenn.
Chapman	Griswold	Montet	Thom
Chase	Hamilton	Moran	Thomason, Tex.
Chavez	Hancock, N. C.	Morehead	Thompson, Ill.
Christianson	Harlan	Mott	Thurston
Church	Harter	Murdock	Tobey
Clark, N. C.	Hartley	Muselwhite	Traeger
Clarke, N. Y.	Hastings	Nesbit	Truax
Cochran, Mo.	Henney	Norton	Turner
Coffin	Hildebrandt	O'Brien	Umstead
Colden	Hill, Ala.	O'Connell	Vinson, Ga.
Cole	Hill, Knute	O'Connor	Vinson, Ky.
Collins, Calif.	Hill, Sam B.	Oliver, Ala.	Wallgren
Collins, Miss.	Holdale	Oliver, N. Y.	Walter
Colmer	Howard	Owen	Warren
Connery	Hughes	Palmsano	Weaver
Cooper, Ohio	Imhoff	Parker, Ga.	Weideman
Cooper, Tenn.	Jacobsen	Parks	Welch
Corning	James	Parsons	Werner
Cox	Jeffers	Patman	West
Cravens	Jenckes	Peavey	White
Crosby	Jenkins	Peterson	Whittington
Cross	Johnson, Minn.	Pettengill	Wilcox
Crosser	Johnson, Okla.	Peyser	Willford
Crowe	Johnson, Tex.	Pierce	Williams
Crump	Johnson, W. Va.	Polk	Wilson
Cuikin	Jones	Pou	Withrow
Cullen	Kee	Prall	Wolverton
Cummings	Keller	Ragon	Wood, Ga.
Darden	Kelly, Ill.	Ramsey	Woodruff
Dear	Kennedy, Md.	Ramspeck	Woodrum
Deen	Kennedy, N. Y.	Randolph	Young
Delaney	Kenney	Rankin	Zioncheck
DeRoven	Kerr	Rayburn	The Speaker
Dickinson	Kinzer	Reece	

NAYS—98

Andrew, Mass.	Condon	Healey	McLean
Andrews, N. Y.	Connolly	Hess	McLeod
Bacharach	Crowther	Higgins	Mapes
Bacon	Darrow	Hoepfel	Martin, Mass.
Bailey	Ditter	Hollister	Merritt
Bakewell	Douglass	Holmes	Millard
Beck	Eaton	Hooper	Moynihan
Beedy	Edmonds	Hope	Parker, N. Y.
Biermann	Englebright	Huddleston	Powers
Black	Evans	Kahn	Ransley
Bolton	Flesinger	Kelly, Pa.	Reed, N. Y.
Britten	Fish	Knutson	Rich
Brooks	Foss	Kurtz	Rogers, Mass.
Brumm	Gifford	Lamneck	Seger
Burke, Nebr.	Gillette	Lanham	Shannon
Carpenter, Nebr.	Goodwin	Lee, Mo.	Simpson
Carter, Calif.	Goss	Leibach	Snell
Carter, Wyo.	Granfield	Luce	Stalker
Cavichia	Guyer	Lundeen	Stokes
Claborn	Hancock, N. Y.	McCormack	Strong, Pa.
Cochran, Pa.	Hart	McFadden	Swick

Taber	Turpin	Wearin	Wolfenden
Terrell	Wadsworth	Whitley	Wood, Mo.
Tinkham	Waldron	Wigglesworth	
Treadway	Watson	Wolcott	

ANSWERED "PRESENT"—1

Griffin

NOT VOTING—17

Almon	De Priest	May	Underwood
Brand	Eltse, Calif.	Montague	Utterback
Buckbee	Goldsborough	Muldowney	
Cannon, Wis.	Haines	O'Malley	
Cartwright	Kemp	Perkins	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. RAINEY, and he answered "yea," as above recorded.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckbee (for) with Mr. Muldowney (against).
 Mr. Haines (for) with Mr. Perkins (against).
 Mr. Almon (for) with Mr. Eltse of California (against).
 Mr. Goldsborough (for) with Mr. De Priest (against).

Until further notice:

Mr. Kemp with Mr. Cannon of Wisconsin.
 Mr. May with Mr. O'Malley.
 Mr. Cartwright with Mr. Montague.
 Mr. Underwood with Mr. Brand.

The result of the vote was announced as above recorded.

On motion of Mr. JONES, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the Senate joint resolution (S.J.Res. 14) entitled "Joint resolution authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933."

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until 12 o'clock tonight to file a report.

Mr. SNELL. Mr. Speaker, reserving the right to object, to ask the gentleman from Tennessee a question, what is gentleman's program for the balance of the week?

Mr. BYRNS. If consent is given to file this report, it is proposed to take up the beer bill for the District of Columbia tomorrow.

Mr. SNELL. Nobody will object to beer.

Mr. BYRNS. I have not anything in mind for Friday and Saturday. I thought probably if the Committee on Labor is prepared to make a report upon the reforestation bill, and I think they will, we could take that up Friday; but if there is no bill from that committee, I know of nothing that will prevent an adjournment until Monday or that will cause us to be in session on Friday and Saturday.

Mr. SNELL. I have been informed that they were going to hold some hearings on the conservation measure, and if they do, of course, it would not be possible for them to report any bill tomorrow.

Mr. BYRNS. I do not see the chairman of the Committee on Labor here. If he is here, I should like for him to give the House some information.

Mr. SNELL. If we could have some agreement about the balance of the week, it would convenience a good many Members.

Mr. BYRNS. I understood the Committee on Labor had a meeting this morning. I am not advised as to just what was done.

Mr. SNELL. I have no objection to the gentleman's request.

Mr. BLANTON. Mr. Speaker, I reserve the right to object for the purpose of asking a question. I should like to know what rule is going to be brought in tomorrow.

Mr. BYRNS. As I suggested, it is a rule making it in order to consider the beer bill for the District of Columbia under the usual rules of the House tomorrow.

Mr. BLANTON. Without restriction?

Mr. BYRNS. Without restriction.

Mr. BLANTON. And permitting amendments?

Mr. BYRNS. Permitting amendments, as I understand it.

Mr. BLANTON. In this connection I desired to ask our majority leader this question: The excuse that was given for striking out the Borah amendment from the Cullen beer bill, which amendment prohibited the sale of beer to minors under 16 years of age, was that this is a matter to be regulated by the States?

Mr. CULLEN. The gentleman is correct.

Mr. BLANTON. The regulation for the District of Columbia will be a statute law passed by this Congress. If there is to be any regulation in this bill that prevents beer from being sold to minors under 16 years of age in the District of Columbia, it must be put in this bill tomorrow. I understand that the bill as it comes to the House, and which the advocates of beer expect to pass tomorrow, there is no restriction whatever in it. If this bill passes and becomes a law any little graded-school child, girl or boy, in Washington, can go into a public drinking joint and buy beer. We have got to put a provision similar to the Borah amendment in the bill tomorrow if children are to be protected. My inquiry is whether or not we will have a chance to properly amend this bill?

Mr. BYRNS. I may say to the gentleman that under the rule that will be reported I understand this bill will be open to amendment on the part of any Member.

Mr. BLANTON. Will it be considered in the Committee of the Whole House on the state of the Union under the usual rules?

Mr. BYRNS. Yes.

Mr. BLANTON. With that understanding I shall not object to the request as to the printing of the rule tonight.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FARM-MORTGAGE DEBT AND THE REFINANCING THEREOF

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 69

Resolution requesting the Secretary of Agriculture to report to the House of Representatives certain information and recommendations respecting farm mortgages

Resolved, That the Secretary of Agriculture is hereby requested to compile, through the agency of the Bureau of Agricultural Economics, information regarding farm-mortgage debts and the refinancing thereof, and to report such information to the House of Representatives as soon as practicable, with suggestions as to possible means of adjusting and refinancing farm mortgages and other liens connected therewith.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think the gentleman should make just a brief explanation of this resolution. I thought he was asking for something to be printed that had already been tabulated.

Mr. BUCHANAN. The gentleman is correct about that.

Mr. SNELL. As I listened to the reading of the resolution, it provides for suggestions on various propositions connected with a farm scheme. We have his suggestions before the House now.

Mr. BUCHANAN. Let me state to the gentleman that about 2 months ago I requested the Bureau of Agricultural Economics to make a complete survey of the farm-mortgage situation in the United States, as to the number of farm mortgages held by the Federal land banks, the joint-stock land banks, the insurance companies, and trust companies—in fact, covering the whole field—with the rate of interest, the date of maturity, the extent to which the farms were mortgaged, and so forth, and they have prepared this data.

I also requested in this connection suggested methods of refinancing, and this has also been prepared, so that the data I am requesting to be printed has already been prepared

and the suggestions on refinancing are intermingled with the data. The suggestions about refinancing can do no harm. There are several methods suggested, and even the methods followed by foreign countries have been included, and I submit to the Membership of the House that this document contains very valuable data which every Member of this House ought to have before he passes upon the matter of refinancing of farm mortgages in the United States; and in view of the fact that the President will soon submit this question, I felt this to be an opportune time to offer the resolution and have the document printed, if it is the will of the House, and let the Membership of the House have the benefit of the information therein contained. [Applause.]

Mr. SNELL. If the gentleman will permit a further question, has this been submitted to the Printing Committee, where these resolutions generally go?

Mr. BUCHANAN. I will state to the gentleman that the preparation of this document was at my instance as a Member of Congress. I had no right to submit it to the Printing Committee. When this resolution is adopted, 500 copies will be printed automatically under the rules of the House.

Mr. SNELL. Usually any matter providing for the printing of any kind of public document goes to the Printing Committee, no matter who makes the request.

Mr. BUCHANAN. If it costs over \$500 the gentleman is correct, but it has to cost \$500 or more before it must go to the Committee on Printing.

Mr. SNELL. I thought this would cost about \$600.

Mr. BUCHANAN. No. I may state to the gentleman that \$600 will print 20,000 copies of it, and I suppose 500 copies will not cost more than \$200 or \$300.

Mr. SNELL. I am not going to object. I just wanted to find out what is in the document.

Mr. MARTIN of Massachusetts. Will the gentleman tell us how this document is going to be distributed?

Mr. BUCHANAN. Under the general rules of the House, the 500 copies will be printed for the benefit of the House, and that is all that will be authorized.

Mr. SNELL. Five hundred copies will not be sufficient. You will have to have more than 500 copies printed.

Mr. BUCHANAN. Under this resolution 500 copies will automatically be printed for the use of the House. If any Member wants additional copies printed after they exhaust the 500 copies all he will have to do will be to get permission of the House or get the Committee on Printing to order it done.

Mr. KNUTSON. Will the gentleman permit an observation?

Mr. BUCHANAN. Certainly.

Mr. KNUTSON. The gentleman knows that the great cost of printing is in the composition and not in the printing or in the stock. It seems to me if a document like this is going to be printed we should have the full number printed, because there will be a great many requests from all over the country for the document, and this will obviate the necessity for another composition of the matter.

Mr. BUCHANAN. I just stated to the gentleman that if this resolution is passed, 500 copies will be printed. The composition will be completed and the type will be set up, and the usual practice is for a Member to ask that a certain number of additional copies be printed, by resolution or something of that sort, and the request is usually granted.

Mr. SNELL. It seems to me that this ought to go to the Printing Committee. I am not going to object to it.

Mr. BLANTON. Reserving the right to object, my colleague is correct in stating that 500 copies will be printed under this House resolution, but if you want additional copies it must first go to the Joint Committee on Printing for its approval. On last Friday the gentleman from Virginia [Mr. WOODRUM] obtained the unanimous consent of this House—see pages 584-585—to print in 8-point type an explanation by the Budget Director and the Veterans' Administration of the economy bill. When the RECORD came out the next morning this explanation was not in 8-point type but in small type, and that was because he had not obtained the consent of the Joint Committee on Printing. We are not in a position to complain about it, however, because the House

placed jurisdiction of such matters in the Joint Committee on Printing.

Mr. DOWELL. If only 500 copies of this resolution are printed, that will only be a little more than one copy for each Member.

Mr. BUCHANAN. That is the purpose of the resolution.

Mr. DOWELL. And a Member may take any number that he sees fit from the document room.

Mr. BUCHANAN. I am perfectly confident the House is going to have to order more than 500 copies—that 500 copies will not be anywhere near enough.

Mr. KNUTSON. As I understand, it is the purpose of the gentleman from Texas to make the information available to Members of the House, before the debate on the legislation which was called to the attention of the House and referred to by the gentleman from Texas [Mr. JONES].

Mr. SNELL. It seems to me we should have had it before we passed the farm relief bill.

Mr. BUCHANAN. These 500 copies will give each Member of the House the information that he wishes for, and then we can have the additional copies printed.

Mr. SABATH. What will be the additional cost of 9,500 copies, so as to make the whole number 10,000 copies? Will not the gentleman make that request for 10,000?

Mr. BUCHANAN. I will say that when the resolution is passed, 500 copies will be printed. Then you can make the request for 10,000 or 20,000 additional copies.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. McDUFFIE. How much would it cost to print 5,000 copies?

Mr. BUCHANAN. I cannot tell how much it would cost to print 5,000, but I can tell the gentleman that it costs \$600 to print 20,000.

Mr. McDUFFIE. Does not the gentleman think that if you are going to have a large number of copies it would be well to have them printed now?

Mr. BUCHANAN. I do not object to having 20,000 copies printed.

Mr. McDUFFIE. Will the gentleman ask for the printing of 5,000 copies for the benefit of the House?

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The resolution was agreed to.

REDUCTION IN THE QUANTITY OF GOLD IN THE UNITED STATES

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent to insert in the RECORD an extract from a paper giving the views of one of the greatest statesman this House has ever had as to what would come about by the reduction in the quantity of gold in this country. It is by Hon. Joseph W. Bailey, of Texas, who was a Member of this House and afterward a Member of the Senate.

The SPEAKER. Is there objection?

There was no objection.

The article follows:

[From the Shreveport Times, Mar. 19, 1933]

TEXAN PROPHESED IN 1907 THAT GOLD SHORTAGE WOULD BRING DROP IN PRICES—ADDRESS BY SENATOR BAILEY, UPHOLDING DEMOCRATIC PARTY'S BIMETALISM CONTENTION ACCURATE IN PREDICTION

Back in 1907 a noted Texan foresaw the economic difficulties which would arise from a shortage of gold as a basis for the world's money. This Texan, the late Senator Joseph Weldon Bailey, declared then that when this shortage became apparent the Democratic Party's contention for bimetalism in 1896 would be vindicated.

Senator Bailey was speaking at a legislative banquet in Dallas, October 19, 1907, when he made his prophecy. His remarks were in response to the toast, the vindication of our issue of 1896.

"Now, Mr. Toastmaster and gentlemen," he said, "I have discharged another duty to Texas, and I am going to discharge another, and it is an agreeable duty, to the Democratic Party. It is a disposition given to all men to rejoice in the vindication of their theory or in the justification of their position, and surely no body of men ever had a better cause for self-congratulation than the Democrats of the United States have over the complete and perfect vindication of their contention for bimetalism in 1896. [Cheers.]

MORE BASIC MONEY

"You will remember that our demand then was for more basic money. We said that with more basic money there would come an

elevation of prices, and there would come prosperity to the times. We got that basic money, not, indeed by opening the mints to the free and unlimited coinage of gold and silver both, as we proposed, but we secured the additional basic money by the discovery of new mines and the improvement of old processes of production, until almost before that great debate had closed the world was producing more gold alone than it was producing of both gold and silver when we demanded the use of both.

"I call the world to witness that with this increase in basic money we did get an elevation of prices, and there did come a prosperity to the times. Our political opponents said we did not need more money. They affirmed that what we needed was better credit, and not more money; and yet, after men had gone into South Africa and discovered the splendid gold mines of that continent, and after the genius of American engineers had devised new methods for extracting ores from old mines, the Republicans wrapped their cloaks around them and claimed credit for what Almighty God had given the earth! [Cheers.]

A PROPHECY

"There is not a man who sits within the sound of my voice tonight who does not know that the world has fared better by having more money, and if any man doubts it, hear my prophecy. The time will come, I pray God He may delay it a long time, but the time will come when the falling production of these mines will again make the world feel the pinch of a money famine, and when that time comes and our failing mines reduce the production of money metals, mark my words, there will come again, as there has come in every part of the world following a diminution of the production of the precious metals, a fall of prices and a stagnation of all kinds of business, and then when the world witnesses that again, we will have a new, another, and a stronger vindication of the paramount issue of 1896. [Cheers.]

"When they asked us to abandon the silver issue after the campaign of 1896, I said I was willing to leave it until new conditions should revive it, but I will never consent to say that the Democratic Party was wrong when it demanded the free and unlimited coinage of gold and silver both, because with the lights before us it required them both to constitute the world a sufficient metallic money. As long as the mines will produce gold enough, I would rather have 1 metal than 2, because there are not ratios to adjust, nor parties to maintain, but it is infinitely better for the human race that Congress should vex itself with the fixation of rates and the maintenance of parities than it is that the American people should be permitted to suffer for the article of money. Let us go into the campaign of 1908 with this slogan on our lips, 'Give the people less taxes to pay and more money with which to pay them!' " [Cheers.]

IMPEACHMENT OF JUDGE LOUDERBACK

Mr. SUMNERS of Texas. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 70

Whereas in the Seventy-second Congress, on the 27th day of February 1933, Hatton W. Sumners, Gordon Browning, Malcolm C. Tarver, Fiorello H. LaGuardia, and Charles I. Sparks, Members of the House of Representatives, were appointed managers on the part of the House of Representatives to conduct the impeachment against Harold Louderback, a United States district judge for the northern district of California; and

Whereas the said LaGuardia and Sparks are no longer Members of the House of Representatives:

Resolved, That RANDOLPH PERKINS and U. S. GUYER, Members of the House of Representatives, be, and they are hereby, appointed to serve with the said HATTON W. SUMNERS, GORDON BROWNING, and MALCOLM C. TARVER as the managers on the part of the House of Representatives to conduct the impeachment pending in the United States Senate against Harold Louderback, a United States district judge for the northern district of California.

The SPEAKER. The question is on agreeing to the resolution.

Mr. LUCE. Mr. Speaker, does the form of this resolution imply that the three Members who were reelected continue to serve automatically?

Mr. SUMNERS of Texas. Mr. Speaker, if I may have the attention of the House I desire to make a brief statement. The House of Representatives possesses the entire power of the Government to prosecute in impeachment cases, and my judgment, after careful examination, is that the House of Representatives may appoint managers who can continue after the expiration of the term for which that House has been elected.

I want to be very candid with the House. I am anxious to go as far as we may safely go toward establishing a precedent in that direction. We find upon examination of the Constitution that there lie between the provisions of the Constitution spaces that have to be filled in either by judicial construction or by precedent. Only precedent can occupy the space, for instance, which lies between the provision

granting to the House—not as a part of the Congress, however—the power to originate and prosecute impeachments and that great constitutional guaranty of a speedy trial. Judicial construction may not enter there. We barely escaped a very difficult situation in this case. As the Members of the House here present who were Members of the preceding House will remember, this impeachment was sent to the Senate near the expiration of the Seventy-second Congress. If the Congress had not been called into extraordinary session, in the absence of any recognized right on the part of a House to empower managers to proceed after the expiration of that House, this judge would have rested under impeachment for a year, without possibility of trial, notwithstanding the general principles which run through our whole system of giving the right of speedy trial. Not only is the duty to make effective to the individual a great constitutional right but there is involved a great public interest. Precedents are not unakin to legislative enactments. When established they come to have the force of law. It is as much a duty to set helpful and proper precedents as it is to make wise and helpful laws. I am anxious to go as far in this instance as we may safely go in establishing a proper and helpful precedent.

We will all bear in mind that the House of Representatives as a part of the legislative branch of the Government does not possess the power to impeach, but those persons who constitute the House of Representatives have lodged in them by the Constitution all the power that this Government has to originate and prosecute an impeachment case, certainly to prosecute it effectively in line with private rights and the public interest. It is not easy for a Member of the House to visualize the Members of the House acting in an organized capacity except as a part of the National Legislature and under the limitation imposed by the fact that it is only a part of such legislature. Once it is recognized that the House, as the prosecuting agency of the Government in impeachment matters, is as complete an entity with reference to that duty, as the Congress is with reference to legislation, any doubt as to the power of the House to create an agent which can properly discharge the obvious governmental duty in a manner consistent with fixed methods, and recognized private rights and public interest disappears.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BANKHEAD. Do I understand the gentleman to intimate in his statement that he would be relying upon some precedent in this case?

Mr. SUMNERS of Texas. No; but I want to establish one.

Mr. BANKHEAD. Then there is no precedent?

Mr. SUMNERS of Texas. No.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. Mr. Speaker, that is rather against the general opinion that prevails in all of the actions of the House in as far as I have been a Member of it—that we could set up any committee by resolution of the House alone to extend beyond the life of that Congress itself.

Mr. SUMNERS of Texas. May I say to my friend from New York that the confusion, I think, is in the failure to distinguish between the House of Representatives exercising the impeachment powers under the Constitution and the House of Representatives as a part of the national legislative body. The House of Representatives exercises the impeachment powers under the Constitution as a complete entity. It is as complete an entity with reference to the exercise of those powers as the House and Senate in Congress assembled is a complete legislative entity.

Mr. SNELL. I do not know of anything in the rules or the Constitution that makes any distinction between our functions or duties or rights in one matter over another.

Mr. SUMNERS of Texas. The impeachment powers conferred upon the House of Representatives are not conferred upon the House of Representatives as a part of the legislative machinery of the country. The impeachment powers that are conferred by the Constitution could have

been conferred upon an independent agency. The House of Representatives, in the exercise of the impeachment powers, is as distinct from the legislature as if the Constitution had provided in the first place that there shall be elected, taking the present House, for example, 432 persons from the United States distributed as we are now distributed by districts, who shall exercise the impeachment power, the power to impeach. I think if the gentleman can visualize that, he will be relieved of his difficulty.

Mr. SNELL. I can see that and I have no argument about it, but I know of no statement anywhere in any part of our proceedings or in the Constitution that gives the House, by its own action, the right to extend the rights, powers, or privileges to any individual person beyond the life of the House itself.

Mr. SUMNERS of Texas. While the gentleman says that he recognizes the distinction, in his statement he indicates that he does not.

Mr. SNELL. What I mean is that they could have set up originally any body to try impeachment proceedings. It might have been House Members or others outside.

Mr. SUMNERS of Texas. But the House of Representatives having already been provided for in the Constitution, those who framed the Constitution did not create an additional body to exercise impeachment powers of government, but did create of the House Membership a body clothed with the Government's power to impeach.

Mr. LUCE. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. LUCE. If the gentleman can clothe 3 Members of a preceding House with continuing authority, does he not sadly damage his argument by asking us to name 2 men in place of Messrs. LaGuardia and Sparks, instead of allowing them to continue, if they saw fit? Why does he have any more power to displace the two than he would to displace the three?

Mr. SUMNERS of Texas. I am very candid with the gentleman. I do not think the House of Representatives ought to establish the precedent, if it could do it, of having continuing as prosecutors on the part of the House of Representatives those persons who are no longer Members of the House.

Mr. LUCE. But why not? Where is the logic of it?

Mr. SUMNERS of Texas. Well, the good sense of it. That is all.

Mr. LUCE. But we are establishing a precedent that may arise to trouble us or our successors most sadly at some time.

Mr. SUMNERS of Texas. Does the gentleman not recognize the difference in the point of desirability in having the managers on the part of the House to be Members of the House?

Mr. LUCE. I recognize the desirability of it. If the gentleman had drawn his resolution naming again those three men who were continued from House to House, together with the two new men, there could not have been the slightest objection, but I doubt the desirability of establishing as a precedent that Members of one House may continue to serve in behalf of another without renewed authority.

Mr. SUMNERS of Texas. Mr. Speaker, clearly each House has full power to control. It can change the managers whenever it chooses. This House could now select an entirely new board of managers. It could abandon the prosecution now pending in the Senate. There is no question about that. I ask unanimous consent that the resolution may again be read, and I direct attention to the last paragraph of the resolution.

There being no objection, the Clerk again read the resolution.

Mr. LUCE. The fact that I noticed that wording was the very reason why I inquired of the gentleman that we might make sure we are not carrying over somebody from a previous congress, but that we are naming five men, Members of this Congress, to conduct this trial. If that is the case, I have no more comment to make.

Mr. SNELL. I wish the gentleman would state exactly what he intends to do. It is important as a precedent for all time to come.

Let us have it understood what is going to be done, and let the House understand it, and let the Speaker rule on it.

Mr. SUMNERS of Texas. Shall I state again what we want to do?

Mr. SNELL. Yes. I do not want any misapprehension here.

Mr. SUMNERS of Texas. I do not either.

The Constitution of the United States provides that every person charged—

Mr. SNELL. The gentleman does not need to go all over his argument again. He could just tell us whether he is going to reappoint these men by this Congress or whether he intends them to carry over, and take his chances on their status, even if they are not reappointed.

Mr. SUMNERS of Texas. They are being reappointed by this Congress.

Mr. SNELL. Oh, I doubt that under your resolution. If all five are to be reappointed, it is satisfactory, but not as far as I am concerned, unless they are.

Mr. BLANTON. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BLANTON. If the gentleman wants to legally appoint all 5 of them, why does he not have his resolution read that way? The resolution reads that only 2 men are appointed to serve, with 3 hold overs, and there is no mention made of the fact that they are appointed. Now, unless the gentleman wishes to establish a precedent that you can hold over from one Congress to another, the resolution should also provide that the 3 gentlemen from the last Congress are appointed by this Congress to serve with the 2 new Members.

Mr. SUMNERS of Texas. Possibly I did not answer the gentleman from New York quite as I should have answered him. I should like the resolution to indicate or not to indicate to the contrary, assuming, for instance, that all five of the managers appointed by the last House had been reelected, and if the House of Representatives had taken no further action with reference to the matter, and the Senate, after having been convened to confirm presidential appointees, had set this impeachment matter for trial, those five men, under their designation to prosecute this case by the preceding House could have gone into the Senate under their former commission and continued to prosecute this case.

Mr. SNELL. That is where the gentleman and I entirely disagree, and every precedent of the House and every rule, and so far as I know every interpretation in Jefferson's Manual and everywhere else, is entirely against that precedent. I do not think we ought to establish it at this time.

Mr. SUMNERS of Texas. Permit me to make this suggestion: This matter has never come up for consideration before in the history of this Government. It is up now.

Mr. SNELL. I know it is, and I want to find out about it, and do not want to make any precedent of this kind at this time, for I think it is unsound and unsafe.

Mr. SUMNERS of Texas. As I stated to the gentleman a moment ago, we just barely escaped, in the absence of the recognition of such a power as I am seeking now, to begin to recognize of having a United States district judge rest under impeachment for a year without anybody having any power to prosecute him.

Mr. SNELL. Well, I have no desire in any way to delay the trial, and there is no need for that, for we can reappoint all five in one minute.

Mr. SUMNERS of Texas. But only because of the extraordinary fact of an extra session of the Congress. Otherwise a judge would have rested under impeachment without a chance of trial until next December, and a Federal court would have as its judge during that time a judge solemnly impeached. This House of Representatives possesses all the power which this Government has to prevent that sort of thing.

Mr. BRIGGS. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BRIGGS. Is there any harm in providing in the resolution that by unanimous consent the three managers previously named are hereby reappointed with two additional managers? Why not let it be done in this way and take all doubt out of it?

Mr. SUMNERS of Texas. Let the House do as it pleases about it. I am trying to help the House and future Houses. I am trying to make effective to all persons who may hereafter be impeached the constitutional guaranty of a speedy trial and am trying to guard the public interest. I am trying to establish a precedent to meet an obvious necessity. We have the power to do it, and we ought to do it.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. ZIONCHECK. If the charges were being prosecuted at the time the new Congress came in, under the gentleman's rule would Mr. LaGuardia and Mr. Sparks continue as managers on the part of the House?

Mr. SUMNERS of Texas. Avoiding the question of the power of the House, or what may be reasoned by analogy, there is nothing in this proceeding which would establish a supporting precedent to that effect.

Mr. ZIONCHECK. In other words, assuming that the prosecution had started in the old Congress but had not been completed at the time of adjournment, would it not be continued in the new Congress with these Members in the role of special officers of the House until their functions ceased?

Mr. SUMNERS of Texas. They are not creatures of the legislative branch; they are creatures of this Government to prosecute impeachment cases, and they have as much power and duty to do that which is necessary in the prosecution as has the legislative branch to create an agency which shall function after the end of the Congress creating it. I am not prepared to say that a House may not designate Members to prosecute who can carry on the prosecution after their defeat, but I would not favor such a policy if the power with certainty existed. In this case there is no attempt in that direction.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BANKHEAD. If I may ask a further question, I readily see what is in the gentleman's mind and the precedent he seeks to establish. Does the gentleman think he can justify in principle the theory that if no action were taken upon this resolution the three remaining Members of the House who have been reelected would be authorized to continue with this prosecution?

Mr. SUMNERS of Texas. Yes; I think they could do it. I think they ought to do it. I think it is perfectly ridiculous in a case where a man is under impeachment and the Senate has been trying that case for some days, for instance, before the end of the Congress, but has not finished, and the President calls the Senate back to affirm his appointees, to say there is no power in the Government to continue the proceedings; that it must abate or be suspended for a year. That is perfectly absurd.

Mr. TABER. Mr. Speaker, may I suggest to the gentleman that if the gentleman's contention is correct I am afraid that unless the appointment of Mr. Sparks and Mr. LaGuardia is revoked they would still continue to be managers.

Mr. SUMNERS of Texas. I do not want that, of course.

Mr. TABER. Why not let this go over until tomorrow, giving us the night to consider it? I hope the gentleman will withdraw the resolution for the time being.

Mr. SUMNERS of Texas. Let us get rid of it. I will agree to amend the resolution by inserting the words "in lieu of", if that is desired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HAMILTON (at the request of Mr. GREGORY), for the rest of the week, on account of important business.

ORDER OF BUSINESS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House briefly.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. I may say in answer to the query of the gentleman from New York [Mr. SNELL] and to the Democratic leader and the Members of the House that there will be a joint hearing by the Committee on Education and Labor of the Senate and the Committee on Labor of the House beginning at 10 o'clock tomorrow morning, in the Senate Finance Committee room, on the President's unemployment bill which came in here yesterday.

I may say also for the benefit of the Committee on Labor of the House that we are to go down to the White House at 9 o'clock tonight. Both Democratic and Republican members of the Committee on Labor of the House and the Committee on Education and Labor of the Senate are to meet the President at 9 o'clock tonight, at his request.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. SNELL. Will the hearings be concluded so that consideration of the bill may begin on Friday?

Mr. CONNERY. It is expected that the hearings before the joint committee will last at least 2 days.

Mr. SNELL. Then we will not get it for consideration in the House this week.

Mr. PETTENGILL. Where will the hearings be held tomorrow at 10 o'clock?

Mr. CONNERY. In the committee room of the Senate Committee on Finance.

LEAVE OF ABSENCE

Mr. REILLY. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Wisconsin [Mr. O'MALLEY], may be given leave of absence for 2 days on account of illness.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUSE RESOLUTION 24—EXTENSION OF REMARKS

Mr. GAVAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House Resolution No. 24.

The SPEAKER. Is there objection?

There was no objection.

Mr. GAVAGAN. Mr. Speaker, once again humanity is aroused from its lethargy by the persecution of a member race of the human family. We learn the sad news that, in this supposed enlightened civilization, attempts to proscribe and persecute are perpetrated upon a defenseless and helpless minority. The recent news of persecution and proscription against the Jew, coming out of Germany, saddens the heart and soul of the lovers of justice the world over. A people of ancient culture, possessed of a heart of peace and love, are deprived of the rights of citizenship, denied free speech and free assemblage. Might does not make right. The heart and soul of men rise in revolt against tyranny and oppression.

Is there a more appropriate legislative body in the world than the House of Representatives to send forth an appeal against this injustice and iniquity? This House, where sat the great Patrick Henry, where trod the illustrious and immortal Thomas Jefferson, is a fitting place whence to send an appeal to Germany for justice and equality for the Jew.

Mr. Speaker, as a member of the cultured Celtic race, one whose forefathers suffered pitiless persecution, I gladly raise my voice in defense of justice and right and urge this House to adopt the resolution.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, the distinguished Chairman of the Committee on the District of Columbia states there is some misapprehension on the part of some of the Mem-

bers as to when she will call up the bill providing for the sale of beer in the District of Columbia. She has asked me to state to the Membership that she expects to call it up when the House meets tomorrow.

IMPEACHMENT OF JUDGE LOUDERBACK

Mr. SUMNERS of Texas. Mr. Speaker, I submit a resolution, which is in the hands of the Clerk, in lieu of the resolution first reported.

The Clerk read as follows:

House Resolution 70

Whereas in the Seventy-second Congress, on the 27th day of February 1933, Hatton W. Sumners, Gordon Browning, Malcolm C. Tarver, Fiorello H. LaGuardia, and Charles I. Sparks, Members of the House of Representatives, were appointed managers on the part of the House of Representatives to conduct the impeachment against Harold Louderback, a United States district judge for the northern district of California; and

Whereas the said LaGuardia and Sparks are no longer Members of the House of Representatives:

Resolved, That RANDOLPH PERKINS and U. S. GUYER, Members of the House of Representatives, be, and they are hereby, appointed in lieu of the said LaGuardia and Sparks to serve with the said HATTON W. SUMNERS, GORDON BROWNING, and MALCOLM C. TARVER as the managers on the part of the House of Representatives to conduct the impeachment pending in the United States Senate against Harold Louderback, a United States district judge for the northern district of California.

Mr. TABER. Mr. Speaker, will the gentleman yield for a suggestion?

Mr. SUMNERS of Texas. Yes.

Mr. TABER. The result of this seems to me to be an admission on the part of the House of Representatives that such a resolution adopted by the House in the event of a session of the Senate without a session of the House would not carry through the continuance of the committee in charge of the impeachment. In other words, all Members of the House, until there is a session of the House, are Members-elect only and not Members, and there would be no Members, and this is an admission on our part that the appointment would not carry through.

Mr. SUMNERS of Texas. I am willing to risk it.

Mr. SNELL. I can see what the gentleman has in mind, and I am not going to make any point of order against his resolution, but in my judgment, according to the precedents and the procedure we have always followed, you only have two live men to present this impeachment matter before the Senate.

Mr. SUMNERS of Texas. May I say to the gentleman from New York that clearly, by implication, I do not think there is any doubt about it and I will risk it.

Mr. BRIGGS. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BRIGGS. The gentleman is just repeating what has already been done and in addition appointing two new members.

Mr. SUMNERS of Texas. Yes. Let it go through and I will fight it out. It is very necessary to adopt the resolution.

Mr. SNELL. I wish the gentleman would let the matter go over until tomorrow and let us look it up; but if the gentleman insists upon passing the resolution tonight, I shall not object.

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. GOSS. Mr. Speaker, I was on my feet trying to get recognition under a further reservation of objection in order to have the matter go over until tomorrow. I have noticed there are 10 cases in connection with this question under section 613 of the House manual, and I have sent for Hinds' Precedents and I would like to look it up.

Mr. SUMNERS of Texas. The gentleman will not find a precedent.

Mr. O'CONNOR. Mr. Speaker, this is a privileged resolution and unanimous consent is not necessary.

Mr. GOSS. The gentleman asked unanimous consent.

Mr. O'CONNOR. It is a privileged resolution and does not require unanimous consent.

Mr. GOSS. Under what rule?

Mr. O'CONNOR. Under the privileges of the House.

Mr. GOSS. The gentleman asked unanimous consent and I was going to reserve the right to object to the request.

Mr. O'CONNOR. I do not believe the gentleman intended to ask unanimous consent, because the gentleman did not have to do that.

Mr. GOSS. May I inquire of the Speaker if the matter is privileged?

The SPEAKER. Yes.

Mr. SUMNERS of Texas. Mr. Speaker, I present a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 72

Resolved, That the managers on the part of the House in the matter of the impeachment of Harold Louderback, United States district judge for the northern district of California, be, and they are hereby, authorized to employ legal, clerical, and other necessary assistants and to incur such expenses as may be necessary in the preparation and conduct of the case, to be paid out of the contingent fund of the House on vouchers approved by the managers; and the managers have power to send for persons and papers, and also that the managers have authority to file with the Secretary of the Senate, on the part of the House of Representatives, any subsequent pleadings which they shall deem necessary: *Provided*, That the total expenditures authorized by this resolution shall not exceed \$3,230.25, being the amount of the unexpended balance of \$5,000 authorized to be expended by the special committee designated under authority of House Resolution 239, Seventy-second Congress, first session, approved June 9, 1932, to inquire into the official conduct of said Harold Louderback.

Mr. BLANTON. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BLANTON. I would like to ask, in view of the fact that my colleague [Mr. SUMNERS] is himself a most distinguished lawyer, and that there are other distinguished lawyers as managers on the part of the House, why it is necessary to employ additional counsel to the extent of \$3,200? They can do the legal work themselves. I have done legal work before committees—I have prosecuted impeachment cases, and I have worked week after week and given the best legal ability I possessed.

Mr. SUMNERS of Texas. I think some explanation should be made, and I am glad the gentleman has brought this up. I direct the attention of the House to the fact that in the last Congress the sum of \$5,000 was appropriated to be used in whatever way was necessary in conducting the preliminary examination at San Francisco. I take some pride in reporting to the House that of that \$5,000 a complete examination was made and the committee expended only \$1,769.75. I venture to say that there is nothing in the history of this House connected with investigations that shows any other such investigation conducted at so small a cost. [Applause.]

In regard to the suggestion made by the gentleman from Texas, I do not expect the committee will employ any additional counsel. The resolution is in the usual language of resolutions authorizing the expenditure of sums in connection with the work of managers in impeachment cases. It might be so that we would want to have some lawyer from San Francisco available to the managers in conducting the case, and would pay his expenses. I give the House assurance that there will be no part of the money expended to pay attorneys' fees.

Mr. GOSS. Is it contemplated to employ a manager appointed in the last House as counsel?—Mr. LaGuardia or Mr. Sparks.

Mr. SUMNERS of Texas. No such thing has been discussed.

Mr. BLANTON. I would not object to the employment of Mr. LaGuardia. I hope that if the committee employs anybody it will be Mr. LaGuardia.

Mr. GOSS. I have no doubt it will be.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

HOUSE RESOLUTION 24—EXTENSION OF REMARKS

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House Resolution 24.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KOPPLEMANN. Mr. Speaker, it is with a sense of deep responsibility, anxiety, and indignation that I rise to acquaint my colleagues with a tragic situation of the 600,000 Jews in Germany. Just 17 years ago German Jewry celebrated the one thousandth anniversary of the beginning of the written records of Jewish life in the Teutonic lands. The Jews who have been part of German civilization, culture, science, and progress for a thousand years are today treated, regardless of political affiliations, in a manner suggesting medieval barbarism. This racial hysteria hit even the American citizens of Jewish faith who are domiciled in Germany.

The conscience of the whole civilized world has been shocked. A wave of sympathy for the plight of Israel in Germany is sweeping across this country, as evidenced by the resolutions of protest drawn by the leading civic and religious organizations from almost every part of this country.

As the Representative of the First Congressional District of Connecticut, I wish to read to you the following communication received by me, dated March 21, 1933:

Hon. HERMAN P. KOPPLEMANN,

Congressman, House Office Building, Washington, D.C.:

Whereas it has been brought to our attention by the press that the Jewish inhabitants of Germany are being subjected to severe and untold inhuman persecution; and

Whereas the residents of Germany of Jewish faith are being tortured severely, both in body and in mind; and

Whereas our organization, the Hartford Mutual Society, an organization consisting of approximately 300 men and women of Jewish creed, feel that the aforementioned conditions are intolerable and unjustifiable and contrary to the principles and trainings of modern civilization: Therefore be it

Resolved, That we, the Hartford Mutual Society, communicate with our Congressman, HERMAN P. KOPPLEMANN, and respectfully urge him on behalf of our people to register on the House floor a protest against inhuman conduct of the Hitler regime, and that he also be respectfully solicited to use any influence which he might possess in prevailing upon the Government of the United States to intercede on the behalf of the Jewish folk.

Respectfully submitted.

BENJAMIN RABINOVITZ, President.

Representative of the sentiments of the people of this country, I quote the following resolution adopted by the Women's International League for Peace and Freedom:

We are shocked and dismayed at the reports coming out of Germany as to instances of illegality, violence, and torture.

I also wish to quote from a resolution which the International Catholic Truth Society, through its president, Father Curran, sent to the State Department:

I wish to add my protest to the protest of the society to the many that should be pouring into the State Department against the unjust, un-Christian, and barbarous anti-Semitic activities in Germany. The fury against thousands of native-born German Jews should arouse the righteous indignation of every lover of humanity and of every believer in the brotherhood of man throughout the world.

The White Plains Ministers Association passed the following resolution:

Whereas cabled reports from Germany bring to America day after day the news of acts of terrorism, committed against the Jews in Germany; and

Whereas to our consternation and sorrow we learn of German Jews being subjected to every manner of outrage and indignity as well as being the victims of persecution: Therefore be it

Resolved, That we, the Ministers Association of White Plains, join with our Jewish fellow citizens in solemn protest against the appalling injustice of which German Jews have become the victims, and utter our deep sense of pain and resentment against the persecutions inflicted upon the Jewish people of Germany.

Christian leaders, acting under the initiative of the Greater New York Interfaith Committee, released the following statement:

We fully recognize that the German people have a right to choose such rulers and such form of government as they may

wish; but this recognition only heightens our right and duty to appeal to them not to permit continuance of the present acts of aggression, injustice, and violence toward Jews in Germany. We appeal to them to prevent these attacks against all that civilization has gained for tolerance and understanding since the Dark Ages. The problems of this deeply troubled world can be solved only through mutual good will and cooperation among all races; and unless chaos is to inherit the earth, it is the sacred duty of every member of the human family and every supporter of the Christian faith to counteract this subversive, un-Christian, and inhuman propaganda which is abroad in the world and is now so painfully manifesting itself in Germany.

We cannot but regard with profound dismay these recurring instances of ominous reversion to intolerance and persecution in a land which has been a home of culture, justice, and progress. We are deeply moved by the outrage and folly of acts which seemingly aim at human degradation and which violate the most elementary human rights.

To this our solemn appeal and protest we add our deep expression of sympathy for those who have been the victims of this violence and our desire to cooperate with our Jewish fellow citizens in the relief and the protection of their Jewish brethren in Germany.

Those who signed this statement were:

Newton D. Baker, former Secretary of War; George Gordon Battle, member of national board, Pro-Palestine Federation of America; Elmer E. Brown, chancellor New York University; S. Parkes Cadman, former president Federal Council of Churches of Christ in America; Richard S. Childs, president City Club of New York; Henry Sloane Coffin, president Union Theological Seminary; Bainbridge Colby, former Secretary of State of the United States; Martin Conboy, former president Catholic Club of New York; Royal S. Copeland, United States Senator from New York; J. Harry Cotton, pastor First Methodist Church, Columbus, Ohio; John W. Davis, president Association of the Bar of the City of New York; Stephen P. Duggan, director Institute of International Education; Amos I. Dushaw, member of national board, Pro-Palestine Federation of America; Harry Emerson Fosdick, minister Riverside Church; James W. Gerard, former United States Ambassador to Germany; William Green, president American Federation of Labor; Carroll Hayes, president Catholic Club in the city of New York; John Haynes Holmes, minister the Community Church; Lucius R. Eastman, former president the Merchants' Association of New York; William T. Manning, bishop of the Protestant Episcopal Diocese of New York; Martin T. Manton, former president Catholic Club in the city of New York; Francis J. McConnell, former president Federal Council of Churches of Christ in America; J. A. Meckstroth, editor in chief Ohio State Journal, Columbus, Ohio; Frederick B. Robinson, president College of the City of New York and chairman of American League for Human Rights; George E. Roosevelt, president Roosevelt Hospital; Charles Edward Russell, president Pro-Palestine Federation of America; Harrison M. Sayre, chairman Foreign Policy Association, Columbus, Ohio; Alfred E. Smith, former Governor of the State of New York; Ralph W. Sockman, former president Greater New York Federation of Churches; John Thompson, pastor Episcopal Methodist Temple Church, Chicago; Charles Trexler, president Greater New York Federation of Churches; Charles H. Tuttle, president Greater New York Interfaith Committee; Robert F. Wagner, United States Senator from New York; Grover A. Whalen, former police commissioner, city of New York; George W. Wickersham, former United States Attorney General.

The plight of the Jews in Germany is fraught with such danger that all the rabbinical associations of Greater New York have proclaimed and designated Monday, March 27, 1933, as a day of fasting and prayer, when throughout the United States special services will be held in all synagogues. On the evening of the same day a protest meeting against the persecution of the Jews in Germany will be held in Hartford, Conn., sponsored by the Emanuel Synagogue, and in Madison Square Garden, in New York City, at which some of the outstanding leaders in all fields of activity will speak, among whom will be William Green, representing the American Federation of Labor, with its 3,000,000 members; former Gov. Alfred E. Smith; Bishop William T. Manning; Senator Robert F. Wagner; and Bishop Francis J. McConnell.

I pray and hope that under the inspired leadership of our democracy the conscience of the world will prevail to the end that the enlightened opinion of the German people will be made aware of the gross injustice of racial and religious persecution and that the ideals, policies, and principles of justice and equality will be restored to all citizens of that great land, regardless of race or creed.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J.Res. 14. Joint resolution to authorize the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake in 1933.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 3341. An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes.

AGRICULTURAL RELIEF BILL—EXTENSION OF REMARKS

Mr. ZIONCHECK. Mr. Speaker, I have listened with intense interest to the arguments pro and con on the agricultural relief bill. It is rather amusing to hear Representatives of the farmers maintain that prosperity can only be had by increasing the purchasing power of the farmer first, and the Representatives of the industrial sections maintaining that prosperity can only be had by increasing the purchasing power of the industrial population so that they will be able to buy the farmers' products; it is like the argument "Which came first, the egg or the chicken."

It seems to me that there is an interdependence of the factors of our complicated social structure and interrelation and that if we are to advance in a balanced manner we must give relief simultaneously to the farmer, the workman, and he who seeks but is unable to find employment, in order that we may jar ourselves off what might be termed "dead center" and stimulate the circulation in the arteries of trade. I might state in passing that I am of the opinion that there never will be any real relief until we cease to talk about the leaves and the bugs on the leaves and commence to speak in terms of the roots of the tree, its trunk, and main limbs, for it is going to necessitate something more than mere palliatives to remedy the situation, and to do that we must seriously lend ourselves to the intelligent solution of the problems of rent, interest, and profit.

I have made no campaign commitments regarding the solution of the farming problem and, inasmuch as this is the President's program and is to be, as I am informed, administered by the able and sympathetic Secretary of Agriculture, Mr. Wallace, and his competent assistant, Mr. Tugwell, I do not fear to vote to them the power, for experience teaches that 90 percent of every law is the manner in which it is administered.

I am not unmindful of the arguments that this bill tends to socialization and what not, for I am inclined to believe that the continued exercise of individual initiative which affects others intimately and vitally must constantly be further subjected to more public control for the benefit of all concerned.

There is another principle involved in this measure which is of particular appeal to me, and I would be inclined to vote in the affirmative just to endorse the policy expressed by the President when he said as follows:

I tell you frankly that it is a new and untrod path; but I tell you with equal frankness that an unprecedented condition calls for the trial of a new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

I heartily endorse this policy of experimentation in legislation, for my attention has not been directed by anyone to any so-called "well-trodden path" which we might follow which would lead us out of this present chaotic condition. The principle announced by the President recognizes the absolute necessity of our embarking in what is known as "social invention" by the trial-and-error system, so that we may stimulate such inventions to a point where they may eventually catch up with our mechanical inventions. If we had followed the same policy in our mechanical inventions as we are advised to follow in social inventions, I fear that we would still be lighting our homes with tallow can-

dles. The real question before us today is whether we have the social capacity to solve our social needs.

By my affirmative vote I do not endorse as a general policy the restriction of production, for I am a firm believer in the policy of economic planning of consumption, for then production will take care of itself without any planning whatsoever. I am also mindful of the fact that this measure may to some degree amount to a sales tax if no steps are taken to prevent the first processors from passing the cost on down to the consumer; but I feel that there is such a great spread between the prices paid to the farmers and those paid by the actual consumers that the tax that the processor pays can well be absorbed in this differential, which can be best illustrated by the fact that the farmers of Washington are receiving approximately 5 cents a gallon for their milk, which when laid down to the consumer costs him 40 cents a gallon, and hence a 5- or 10-cent increase to the price paid the farmer need not necessarily increase the cost to the consumer.

I am further of the opinion that this bill is somewhat fantastic and will present almost superhuman problems in its administration; but despite the many questions that arise in my mind in these regards, I feel certain that the measure can do no harm, inasmuch as the farmers' condition cannot be made any worse than it is now, and it may help him. This is my hope. It will at least afford a breathing spell during which more basic and fundamental relief measures may be enacted, and I am hopeful that the President's program, as it reveals itself to us, will embody such measures.

Mr. AYERS of Montana. Mr. Speaker, as a farmer and rancher myself, I arise in behalf of the vast army of men and women engaged in that pursuit. For 12 long years their department of Government has been administered by the Civil Service Commission and by political farmers. In answer to my colleagues across the aisle, who complain of the absence of civil-service provisions in this bill, I say to them it is high time to abandon civil service and the political farmers in the administration of the Agriculture Department, and replace them with practical agricultural men. If this bill passes that can be done, and I have faith that it will be done.

RAW PRODUCTS FORGOTTEN

Mr. Speaker, during the past 12 years our Nation has unfortunately lost sight of all else in its attempt to speedily reach the top of the ladder as a financial and commercial nation. This mad race has been run without regard to agricultural products in the raw. The raw materials of the farmer and the rancher have been forgotten; they have been left at the starting post. The only thing that financial and commercial America has been thinking of, when it thinks of agriculture at all, is the processed and manufactured articles. When it thinks of wheat it thinks of flour and bread; when it thinks of corn it goes on past the grain and the hog and thinks of ham and bacon; when it thinks of wool and cotton it thinks only of cloth and clothing; when it thinks of tobacco it thinks of cigars and cigarettes; and when it thinks of cattle it thinks of them only long after they have gone through the packing house. The trouble with this line of thought is that the farmer, the rancher, and the stockman are absolutely forgotten and entirely neglected.

Our banking, commercial, and industrial leaders have lost sight of the vastly important fact that over 30,000,000 of our people are dependent directly and entirely upon agricultural products in the raw, and that another 40,000,000 are indirectly dependent upon them. Our national policy for the expansion of foreign trade in industrial products—including agricultural products after they are processed and manufactured—without taking into account its effect upon agricultural products as they are produced by the farmer and rancher, as related to industry, was indeed a sad mistake.

FOREIGN TRADE DESTROYED

We have loaned abroad more money than is represented by our entire World War debt, upon the theory that it would be used particularly to buy our industrial products. We

have put the machinery of our gigantic Department of Commerce behind the movement to expand our foreign trade. We have acted just as though we were the same debtor nation that we were before the war, when, in fact, we are the leading creditor nation of the world. We have nearly half the gold of the world, so foreign trade cannot pay us in gold, and in the face of that fact we prevented their paying us in goods—goods that we did not ourselves produce—by our tariff laws. Under such conditions it is not surprising that we have had tariff barriers built against us.

This urgent expansion of foreign trade in industrial products ignored the greater importance of foreign trade to agriculture than to any other industry. It also ignored the greater importance of our domestic trade, from which we obtained over 90 percent of our national income. From 1910 to 1932 the total income from all our exports averaged annually 7.45 percent of our whole national income, but the proportion of agricultural income attributable to agricultural exports was 17.86 percent, while the proportion of industrial income attributable to industrial exports was only 5.21 percent; hence agricultural products should have had first thought in this connection instead of being forgotten.

PRESIDENT'S VIEWS

Our President long before his inauguration, and even before his election, recognized the necessity to our general public recovery of restoring the purchasing power of agriculture. In his Atlanta (Ga.) speech on October 24, 1932, he said:

... let me make clear, in as emphatic words as I can find, the fundamental issue in this campaign. Mr. Hoover believes that farmers and workers must wait for general recovery until some miracle occurs by which the factory wheels revolve again.

No one knows the formula of this miracle.

I, on the other hand, am saying over and over that I believe that we can restore prosperity here in this country by reestablishing this gigantic purchasing power of half the people of the country; that when this gigantic market of 50,000,000 people is able to purchase goods, industry will start to turn, and the millions of jobless men and women now walking the streets will be reemployed.

Again, in Boston, the week before election, he said:

We need to give 50,000,000 people who live directly or indirectly on agriculture a price for their products in excess of the cost of production. That will give them the buying power to start your mills and mines to work to supply their needs. They cannot buy your goods because they cannot get a fair price for their products.

Mr. Speaker, let no one doubt that his majorities in the agricultural States meant general approval of his views which I have just quoted.

PAST LEGISLATION A FAILURE

Many of my colleagues who are opposing this bill have referred to it as experimental legislation and as dictatorial legislation. Both of these arguments are true. But what could have been more dictatorial than the Farm Board legislation of the last administration, and what could have been more experimental than all of the agricultural legislation passed by the last three administrations? And I cannot, in the height of my most fantastic imagination, conceive of any failures more colossal than these.

The farmer's price has been dictated downward, and he has been experimented with until he is absolutely bankrupt. He has gotten to a point where a little more dictation and a few more experiments cannot hurt him—he is beyond that stage. Yet he is a gamester; he is willing to try it again and particularly so with a new leader, a leader in whom he has faith.

PROSPEROUS FARMER EXTINGUISHED

The happy, independent, well-to-do farmer has passed from the picture; and, while he has been so passing, the transportation companies, the banks, the insurance companies, the merchants, the processors, the manufacturers, and the middlemen have all been living off him. Now, when he has come to the end of his wearisome path, all these concerns of finance and industry are feeling the effect; in fact, the entire capitalistic civilization of this country has felt the effect to the very point of crumbling.

Here is a sample of the rocks in the path of the farmer for the past 12 years: Farm income fell from \$13,566,000,000 in 1920 to \$5,240,000,000 in 1932, a drop of over 61 percent. This vast depreciation reflects the shortage in exchange value of agricultural commodities during these years and not the shortage in volume of products; as a matter of fact, the volume is about the same.

In addition to this great depreciation in the value of his products, the farmer's mortgage debt has increased from \$7,858,000,000 in 1920 to approximately \$10,000,000,000 in 1932, and during the same time his taxes have increased by more than one third. Taxes and interest, which amounted to about 20 percent of farm production expenses prior to the war, have now risen to 40 percent; during this period, while the tide was running high against him, the cost of the things he had to buy did not decrease. The tariff law, while forgetting him, took care of the industrial manufacturers of this country in that respect.

FARMERS APPROVE BILL

Of all the agricultural products, grain and livestock have suffered the most. These are the two principal products of my district; hence my constituents are among those who have suffered the most, and from them and their organizations I have received scores of telegrams urging the passage of this bill. They appreciate, and so do you and I, that economic problems of production and income cannot be solved entirely by legislation, but this Congress is pledged to enact all possible remedial measures. This bill is the first administration bill to aid agriculture. It is not a cure-all, but it is the first step leading to a new path. It seeks to establish a condition in the marketing and processing of products that will give to them their pre-war purchasing power.

AN UNBALANCED YARDSTICK

The farmer and stockman does not raise machinery, gasoline, clothing, interest coupons, and tax receipts. He raises wheat, corn, cattle, hogs, and sheep; and his embarrassment occurs when he attempts to trade his products for the things he must have and when he tries to retire an interest coupon from his mortgage or have a tax receipt marked "paid." The yardstick under which he has lived does not measure equitably on the things he produces and the things he buys and the debts he has to pay. It is short when it measures his products, and it is long when it measures what he has to buy and the debts he has to pay.

ADJUSTMENT PROVISIONS

The agricultural-adjustment provisions of this bill grant to the Secretary of Agriculture a broad power. He is given the right to provide for reduction in acreage or reduction in production for market, or both, through agreements with producers or by other voluntary methods, and to provide for rental or benefit payments in connection therewith in such manner and amount as the Secretary deems fair and reasonable. The Secretary may pay so much a bushel for corn and wheat or so much a pound for sheep, cattle, and hogs to those who voluntarily come under this provision.

LICENSING REDUCES MIDDLEMAN

The licensing provisions of the act, applying to processors, associations of producers, and other agencies engaged in the handling, in the current of interstate and foreign commerce, of any basic agricultural commodities or products thereof, under wise use will stop the unreasonable profits of middlemen. In ascertaining such profits as they are legitimately entitled to, they will undoubtedly have to abandon their present theory of carrying as assets old and obsolete plants that should have been junked years ago in order to charge a price whereby they could pay interest and dividends upon a fictitious capital investment.

Under the sweeping power of the Secretary to issue and revoke the licenses, he will have his hand upon the products of the field until they have ultimately reached the consumer. It is said that today the farmer receives less than one third of the price paid by the consumer of his products. The transportation agencies, the processor, the trade, and the middleman take the other two thirds. Under the licens-

ing provisions the farmer's share will be materially increased because the Secretary will have the right to adjust costs all along the line, and he will undoubtedly decrease the spread between the raw material and the refined product.

No farmer is dreaming of war-time prices. His hope is to realize approximately the same prices in exchange value which he enjoyed before the war in the days when he plowed with horses and could pay his taxes.

NEW LEGISLATION NECESSARY

At this time we have no adequate, workable agricultural legislation. Relief cannot be reached by the methods now in vogue. New methods must be promulgated, and we all know that everything new is an experiment.

This legislation has been proposed by the President, and in that proposal he has dealt his cards on top of the table. He has told us in no unmistakable terms that this is a new and untrod path, and that an unprecedented condition calls for the trial of new measures to rescue agriculture. He has also said that—

If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

In likewise unmistakable terms he has asked for the immediate passage of this legislation in the following words:

The proposed legislation is necessary now for the simple reason that the spring crops will soon be planted, and if we wait for another month or 6 weeks the effect on the price of this year's crop will be wholly lost.

SUCCESS DEPENDS ON CHEERFUL ACCEPTANCE

In the final analysis this bill is the first step toward farm relief, and likewise the first step toward national relief. Agriculture, being the basic industry of the land, helps all others when it is helped. Success of this legislation depends largely upon the cheerful acceptance and willing compliance of producer, processor, and consumer, together with a sympathetic Executive and Secretary of Agriculture.

Certainly no one can question the desire of the President to lift prostrate agriculture nor the desire of Secretary Wallace to use his every effort to place the American farmer in a more secure position.

To me it is apparent that this important bill is but the beginning of the program of this administration for the rehabilitation of agriculture, and that it is unquestionably our only safe starting point.

Mr. YOUNG. Mr. Speaker, this bill has the approval of leading farm organizations. For the very first time social control and planning for our basic industry—agriculture—are provided by law.

I look at this problem from the standpoint of the city and from the viewpoint of the farm. I was born and brought up on a farm, and in fact spent the first 20 years of my life in the country. Observation and study have convinced me that our people will never again become prosperous and happy until economic security is restored to the farmers. Then, when we have accomplished this, let us help along their purchasing power by providing for an issue of interest-free currency by our Government in place of Government bonds. It seems absurd to issue bonds and then pay interest to bankers out of the taxpayers' money, and then to permit the banks to use these same bonds as the basis upon which they issue interest-free money and loan it to taxpayers at high interest. We have legislated for banks. We have legislated for bank depositors. The preceding Congress even legislated for foreign countries. We should long ago have legislated to do justice to this basic industry.

It is my privilege to represent in Congress nearly 7,000,000 Ohio people. Ohio is a great industrial State and an equally great agricultural State. Farmers of Ohio are looking to us with hope. Year after year the farmers of my State and their wives and children have struggled and toiled and at the end of the year have been farther in debt than they were at the beginning.

This agriculture relief bill is one of the most important measures we shall consider. The farmers of our country are

bankrupt. We, as their Representatives, have a solemn obligation to reduce the interest on farm mortgages; to reduce taxes on the farms, and to secure equitable transportation charges so that farmers will profit by shipping their products to the market. We must restore purchasing power to farmers.

I have studied this administration farm relief bill. I am supporting it. It is true that this bill vests Secretary of Agriculture Wallace with broad powers. In this emergency I say we must place all trust in him. He knows agriculture. This bill points the way out.

The bankruptcy which has afflicted the farmers of our country is a sort of creeping paralysis. It crept up on industry. It has wellnigh paralyzed our Government.

The President, in his message, said:

I tell you frankly that it is a new and untrodden path, but I tell with equal frankness that an unprecedented condition calls for the trial of new means to renew agriculture.

We have witnessed the spectacle of an inept vacillating president who pulled the covers over his head and closed his eyes to the direful conditions oppressing millions of worthy men and women who will not recover from the humiliations and sufferings of this depression for a generation. We now have the promise of a new deal from a wide-awake President. I gladly follow the leader who by this measure beckons us along a new path. May this path lead to better things for the farmers!

This measure gives the Secretary of Agriculture power to raise and stabilize the selling price of basic agricultural commodities—wheat, cotton, corn, hogs, cattle, sheep, rice, tobacco, milk, and milk products. While agriculture is in distress, business languishes. When we restore the purchasing power to our farmers, you will immediately see all business broaden. Men in my city will be called back to factories to make the products farmers require. The backbone of the depression will, in fact, be broken. This measure gives some promise of restoring prosperity to farmers. My city neighbors are dependent for their well-being upon the welfare of the farming communities of our country. Make prosperity possible to the farmer and industry will thrive in the city!

We are passing through a great emergency. This bill is one of the principal measures proposed as a part of the new deal. We should pass it. It will help restore confidence, inspire courage, and bring economic security. What if this is an experiment? The situation is so grave. The condition of the farmer is so perilous. Why delay? Cotton has been selling for 6 cents a pound, corn for 10 cents a bushel, wheat for 30 cents a bushel. Farmers today receive less for the products of the soil than they received 70 years ago. At the same time the cost of everything on the farms has been greatly increased. Forty million destitute farmers appeal to us for help now. Mortgages have been foreclosed. Homes have been confiscated. Oppressive taxes bear down upon those who are seeking to struggle along. Until this present moment farmers have been ignored, although they own in normal times one third in value the Nation's property. The farmer buys his tools and the very necessities of life in a highly protected market. He has been compelled to sell products of his land and of his toil in an unprotected domestic market and his surplus in an unprotected world market in competition with all the world.

We now have a President who seeks to lead agriculture into the promised land of economic security. This is in contrast with his predecessors, who vetoed farm-relief measures. In previous years relief was promised to the farmers, but they were given bankruptcy. Let us pass this bill now.

Mr. SMITH of Washington. Mr. Speaker and Members of the House, there can be no recovery in business until the farmers receive a fair price for their products. For a number of years they have not received even the cost of production. There are about 40,000,000 of our citizens engaged in farming, who constitute the best potential domestic market we have for all manufactured goods. Consequently, the

prosperity of industry and business depends to a great extent on the purchasing power and prosperity of agriculture.

I have a considerable farming population in the nine counties of my district—the Third Washington District—who have been reduced to a state of financial distress, poverty, and indescribable hardships never before experienced in the history of southwestern Washington. Almost every kind of farming is followed by my constituents. Some of the finest farms in the State of Washington are located in Lewis, Clark, Cowlitz, Thurston, and Grays Harbor Counties, and there are many large farms in Pacific, Mason, Skamania, and Wahkiakum Counties, and, of course, many smaller ranches. It made me sad and sick of heart when I traveled all through this large area last summer and autumn and noted the dejection and discouragement of these dairy, poultry, fruit, and grain farmers, who have been practically impoverished by the deflation in prices until they have been unable to realize even the cost of production for their milk, butterfat, eggs, berries, fruit, hogs, and grains. Many of these citizens—than whom there are none nobler in this Republic—have lost the savings of a lifetime and been pauperized by the crimes perpetrated against them since 1920.

Mr. Speaker, what has happened to agriculture in my section of the country has occurred throughout the rural districts of the Nation.

Albert S. Goss, master of the Washington Grange, addressed the joint annual farmer-merchant dinner in the Masonic Temple in Hoquiam, Wash., my home town, a few weeks ago, and I should like to quote from his remarks, for I consider him to be one of the best-informed men on this subject in the United States.

Mr. Goss said:

In 1919 the amount invested in agriculture amounted to \$80,000,000,000. Because farmers were forced to live off their capital investment while industry thrived, this amount was reduced to 58 billions in 1929. In 1919 this country produced an agricultural crop valued at \$17,000,000,000. Now our output is valued at less than five billion.

While Congress was worrying about our exports, it allowed the farmer to lose his surplus, worth 1½ times as much as all the exports. The farmer's purchasing power was lost. The lumber industry began to feel it early, some time before the big crash in 1929. Figures show that 95 percent of the bank failures before the depression were in rural districts.

The situation is desperate. Commodity prices must be restored. We cannot work out our debts under the present price system. We need some kind of safe and controlled inflation of money. I recently visited President-elect Roosevelt, and I believe he is determined to protect agriculture in the future. We may have to fix prices.

With the depression having given us a new outlook and a new realization of agriculture's problems, I am more optimistic of our future than at any time in the past 8 years. We have voted for a new deal; now we must back up our Representatives.

No truer words were ever uttered, and I think that the majority of the Members of this House will subscribe to every statement made by Mr. Goss.

In his new book just off the press, *Looking Forward*, President Roosevelt, in his chapter entitled "What About Agriculture?" presents substantially the same picture.

President Roosevelt says:

I see no occasion for discussing in detail the acute distress in which the farmers of America find themselves. They receive prices as low or lower than at any time in the history of the United States. The economic turn means nothing less than the shadow of peasantry over 6½ million farm families. These families represent 22 percent of the population of the United States. In 1920 they received 15 percent of the national income; in 1925, 11 percent; in 1928, about 9 percent, and in some of the recent estimates based on figures of the United States Department of Agriculture the farm income has dropped to about 7 percent.

Fifty million men, women, and children immediately within our borders are directly concerned with the present and the future of agriculture. Another fifty or sixty million people who are engaged in business and industry in our large and small civic communities are at last coming to understand the simple fact that their lives and their futures are also profoundly concerned with the prosperity of agriculture. They realize more and more that there will be no outlet for their products unless their 50 million fellow Americans who are directly concerned with agriculture are given the buying power to buy city products.

Our economic life today is a seamless web. Whatever our vocation, we are forced to recognize that while we have enough fac-

tories and enough machines in the United States to supply all our needs, these factories will be closed part of the time and the machines will lie idle if the buying power of 50 million people remains restricted or dead.

In discussing the various plans of agricultural relief which have been proposed, President Roosevelt further states:

It will be my purpose to compose the conflicting elements of these various plans, to gather the benefit of the long study and consideration of them, to coordinate efforts to the end that agreement may be reached upon the details of a distinct policy to restore agriculture to economic equality with other industry.

Mr. Speaker and Members of the House, I believe that the bill now before the House is an honest attempt to apply and carry into execution these ideas which the President has stated and which he frequently expressed during the campaign last year. The bill is apparently the embodiment of several plans and is, therefore, necessarily disjointed and not as coherent as would otherwise be the case. It contains a number of novel and untried features which, in my opinion, will not prove practical or bring about the desired benefits to the farmers. However, in his ringing message to Congress President Roosevelt said:

I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

At least, President Roosevelt is trying to do something for agriculture. He did not refer the subject to another commission. I shall, therefore, vote for this bill, which is submitted to us under suspension of the rules, with no opportunity to offer amendments.

I hope that this legislation will prove a success and a blessing to the farmers of the Nation and of my district, which will be cause for rejoicing by all the American people, but if it fails of its purpose, I anticipate, Mr. Speaker, that we will enact some other measure to take its place, under more favorable parliamentary circumstances.

Mr. HENNEY. Mr. Speaker, ladies, and gentlemen, I arise for the purpose of voicing my approval and adding my support to this measure, for I believe that, as stated in the caption of this bill, it will relieve the existing national economic emergency by increasing agricultural purchasing power.

I very much doubt that it will do all that its ardent supporters contend that it will. However, it is my opinion that agriculture will be very materially benefited by its enactment, and, in keeping with the pledge given to farmers by our party as well as the Republican Party in their national platforms since 1920, I believe it to be my duty and my obligation to vote for this bill which has been endorsed by practically all of the national farmers' organizations as the one that more nearly meets with their approval.

The proposition, when reduced to its simplest terms and shorn of all its verbiage, is in the last analysis simply the application of the protective-tariff system to the farming industry as an internal affair. The theory of aiding the farmer by means of an internal tax is not new. Alexander Hamilton, the champion of protective tariffs, nearly 150 years ago stated in effect that a protective tariff would be a great boon to industry but that eventually it would be a detriment to agriculture unless some manner of bounty could be devised whereby the farmer could participate in the benefits of a protected market. Agriculture must be bolstered up. Everyone admits that fact, and certainly, my colleagues, most of us can and will subscribe to the President's program when we consider the commendable frankness and cogent candor with which he told the Congress that this is a new and untrod path; that an unprecedented condition calls for the trial of a new system to rescue agriculture and that if, after a fair trial, it does not produce the hoped-for results he would be the first to acknowledge it and advise us. This bill, as stated by the President, has been given deep thought and careful study in collaboration with noted economists and representatives of agricultural organizations.

It is so refreshing, Mr. Speaker, to have a leader who will listen and who will try and who, if failure comes, will be the first to admit and rectify it. We should go along with him on this bill.

It is better to have tried and failed
Than never to have tried at all.

I shall not attempt to go into the mechanics of this plan, as more able speakers, many of whom are members of the Agricultural Committee, have covered it more thoroughly than could I. However, I do wish to call particular attention to some of the conclusions reached by the committee which have not been stressed in this discussion in the House.

First, the answer to those who contend that the bill will saddle a giant sales tax onto the consumer is that the consumer will be protected and that the price to the consumer must bear a definite relation to, but in no event, will it exceed the pre-war price based upon the purchasing power of that particular commodity at pre-war sales prices.

Second, the argument that the processing tax will greatly lessen consumption and, therefore, be productive of technical overproduction is negated by the restrictive clause. This tax must be such that if, in allowing the commodity producer the pre-war price the consumption of this commodity would be materially reduced, the tax must be adjusted to the buying power of the consumer. This means simply that if consumption is materially lessened that the tax will be lessened or removed. On the large percentage of commodities this will not be necessary because in practically all cases the price which the farmer receives is such a small percentage of the price the consumer pays that the addition of the processing tax would have but slight effect on the retail price and would not be burdensome to consumers.

This is well illustrated in the matter of bread, pork, and cotton products. At the present price of wheat it was shown that the actual flour in a 16-ounce loaf of bread is worth one half cent; and if the price of wheat were trebled, or advanced from 30 cents to 90 cents per bushel, it would raise the actual cost of that loaf just 1 cent. Since 1929, bread has declined in price but 25 percent while wheat has declined nearly 70 percent, and in 1913 the price of bread was practically the same as today while wheat was more than double the price of today. This condition is brought about largely by the processors of flour, who have not reduced proportionately the cost of their product to the bakers.

As to pork products, ham today is actually 7 cents a pound higher than in 1913, while hogs are selling for 4 cents a pound less.

In the cotton-goods industry only a small percentage of the retail price goes back to the farmer. If the price of cotton to the farmer were doubled, a shirt previously sold for \$1 would then have to be sold for \$1.02. A yard of voile that sold for 7 cents would now cost 7½ cents. These examples—and they are legion—simply demonstrate that the cost of raw material is the smallest item in the selling price of the finished product, and it is believed that the proposed tax will almost double the purchasing power of the farmer, who will promptly begin purchasing finished products, paying debts, taxes, mortgages, and so forth, to the end that the wheels of industry will again begin to move, our smokeless factory chimneys will again take on new life, and our banks will have their assets thawed out.

In America our love for a square deal, our sporting blood should preclude any contracts other than those which would insure a fair return for the labor and investments involved in the production of a commodity, and consumers will not ask to purchase at a price that virtually wipes out the farmer's purchasing power.

The consumer and business man, as well as the farmer, have everything to gain from a fair and honest and a balanced relationship between production and consumption of farm products which will restore to the farmer his pre-war purchasing power.

While it is my honest opinion, Mr. Speaker, that this bill properly administered will, if enacted, control surplus crop production, it will materially increase the income of the farmer and, thereby, his purchasing power; still I had hoped that we might have added certain amendments to it. I have reference to the Frazier bill, defeated in the Seventy-second Congress, which was designed and advanced for the purpose of permitting the farmer to borrow cheap-interest money from the Reconstruction Finance Corporation.

Second. I should have liked to have had an amendment requesting a sweeping investigation of farm-machinery prices. This latter matter has been discussed a great many times in the Congress during the past year, and it has been stated many times that while the prices of farm commodities have decreased over 50 percent since 1920, farm machinery has actually increased about 9 percent in price in spite of the fact that labor and steel, which are practically the only items in the cost of a piece of farm machinery at the factory, are cheaper than they have been in a generation. I believe this farm-machinery hold-up should be looked into and it is my intention to introduce a bill in this Congress calling for an investigation of this matter.

Third. Farm-mortgage foreclosure is another item which might have been added or incorporated in this bill. However, we have the assurance of the Secretary of Agriculture that the Frazier bill, or some modification of it, together with a measure relieving the farm mortgagor, will receive the attention of our President and the Congress at an early date.

Fourth. There is a distinct and audible clamor throughout the country for some form of expansion of our currency, and I am in hopes that this Congress will have a chance to pass on this legislation. It has been amply and undeniably proven that in times past our currency has been deflated or artificially contracted for the express purpose of lowering commodity prices to combat the "high cost of living", and in every instance it has done just that—lowered prices to the farmer, the dairyman, and the industrialist.

Therefore, if contracting the circulating currency will deflate prices, the doing of just the opposite—or expanding the currency—should increase the price of farm products, labor, and industrial goods; and it may be of interest to know that this very thing was successfully carried out at the beginning of President Wilson's administration.

I believe, ladies and gentlemen, that a controlled expansion of our currency will do more to aid business in this country generally than any other one thing. It will restore the dollar to its purchasing and paying power of 1923.

I have hopes that these adjuncts to the farm-relief program may be submitted to this Congress for enactment. The farm bill which we are discussing is but an emergency measure, and provision is made that it shall cease to be in effect when the President shall consider that the national economic emergency in its relation to agriculture shall have passed. It is also provided that the powers of the Secretary of Agriculture shall be terminated by the President if he finds that they are not requisite to carry out the declared program. Therefore I wish to reiterate that I can see no reason why we should hesitate to pass this bill.

President Roosevelt frankly admits it is a new and untried plan. He promises to discontinue it if it does not work. He promises to take away the powers of the Secretary of Agriculture if they are not requisite to the carrying out of the bill. He states that it is an emergency bill only and will be repealed as soon as the emergency shall have ended.

My support and my vote is predicated as much on these statements as on the merits of the bill.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p.m.) the House adjourned until tomorrow, Thursday, March 23, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR: Committee on Rules. House Resolution 71. A resolution providing for the consideration of H.R. 3342, a bill to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes; without amendment (Rept. No. 12). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H.R. 2059) granting a pension to William W. Holmes, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. KAHN: A bill (H.R. 4005) to amend section 57 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, with respect to proof and allowance of claims by trustees for bondholders; to the Committee on the Judiciary.

By Mr. RAYBURN: A bill (H.R. 4006) to regulate the business of freight forwarding, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN: A bill (H.R. 4007) to provide for the channeling and improvement of the Tombigbee River, Miss., and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 4008) to provide for controlling the floods of Town Creek, Miss., and for other purposes; to the Committee on Banking and Currency.

By Mr. BURNHAM: A bill (H.R. 4009) authorizing the Secretary of War to set apart as a national cemetery certain lands of the United States military reservation of Fort Rosecrans, Calif.; to the Committee on Military Affairs.

By Mr. RANKIN: A bill (H.R. 4010) for the erection of a public building at Starkville, Oktibbeha County, Miss.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 4011) for the erection of a public building at Amory, Monroe County, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. EATON: A bill (H.R. 4012) to provide for the commemoration of Middlebrook Heights, near Bound Brook, N.J., where George Washington was in camp at the time of the adoption of the United States flag by Congress, June 14, 1777; to the Committee on Military Affairs.

Also, a bill (H.R. 4013) to provide an additional appropriation as the result of a reinvestigation pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N.J., July 10, 1926; to the Committee on Claims.

By Mr. CHAVEZ: A bill (H.R. 4014) to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named under the terms of the act of June 7, 1924, and the liability of the United States to non-Indian claimants on Indian pueblo grants whose claims, extinguished under the act of June 7, 1924, have been found by the Pueblo Lands Board to have been claims in good faith; to authorize the expenditure by the Secretary of the Interior of the sums herein authorized and of sums heretofore appropriated in conformity with the act of June 7, 1924, for the purchase of needed lands and water rights and the creation of other permanent economic improvements as contemplated by said act; to provide for the protection of the watershed within the Carson National Forest for the Pueblo de Taos Indians of New Mexico and others interested; and to authorize the Secretary of Agriculture to contract relating thereto and to amend the act approved

June 7, 1924, in certain respects; to the Committee on Indian Affairs.

By Mr. LUCE: A bill (H.R. 4015) authorizing filling of vacancies occurring in the office of district judge in the district of Massachusetts created by the act entitled "An act for the appointment of additional circuit judge for the fourth judicial circuit, for the appointment of additional district judges for certain districts, providing for an annual conference of certain judges, and for other purposes", approved September 14, 1922; to the Committee on the Judiciary.

By Mr. DOUGHTON: A bill (H.R. 4016) to extend the time for filing claims under the Settlement of War Claims Act of 1928, and for other purposes; to the Committee on Ways and Means.

By Mr. MEAD: A bill (H.R. 4017) to exclude substitute postal employees from the operation of the Economy Act when their aggregate earnings are less than \$83.33 a month; to the Committee on Expenditures in the Executive Departments.

By Mr. SANDERS: A bill (H.R. 4018) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

Also, a bill (H.R. 4019) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. ROMJUE: A bill (H.R. 4020) for the relief of agriculture mortgages and foreclosures; to the Committee on Ways and Means.

By Mr. McCORMACK: A bill (H.R. 4021) to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States; to the Committee on Military Affairs.

By Mr. SIROVICH: Resolution (H.Res. 63) providing for an investigation and study of problems with respect to the Indians in Alaska; to the Committee on Rules.

By Mr. RANKIN: Resolution (H.Res. 64) authorizing the printing of 2,000 copies of the soil survey of Oktibbeha County, Miss.; to the Committee on Printing.

Also, resolution (H.Res. 65) authorizing the printing of 2,000 copies of the soil survey of Monroe County, Miss.; to the Committee on Printing.

Also, resolution (H.Res. 66) authorizing the printing of 2,000 copies of the soil survey of Lowndes County, Miss.; to the Committee on Printing.

By Mr. DICKSTEIN: Resolution (H.Res. 67) requesting the Secretary of State to direct the consuls abroad to disregard instructions of September 15, 1930, and revert to provisions of law in force prior to that date in examining applicants for immigration visas; to the Committee on Immigration and Naturalization.

By Mr. HANCOCK of North Carolina: Resolution (H.Res. 68) to pay to Irene Nicholson Linder, mother of Heath Linder, 6 months' compensation and not to exceed \$250 funeral expenses; to the Committee on Accounts.

By Mr. O'CONNOR: Resolution (H.Res. 71) providing for the consideration of H.R. 3342, a bill to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes; to the Committee on Rules.

By Mr. WOODRUFF: Joint resolution (H.J.Res. 107) directing the President of the United States of America to proclaim October 11, 1933, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. WELCH: Joint resolution (H.J.Res. 108) authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte; to the Committee on Naval Affairs.

By Mr. McCORMACK: Joint resolution (H.J.Res. 109) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H.J.Res. 110) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the

observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SADOWSKI: Joint resolution (H.J.Res. 111) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

By Mr. DINGELL: Joint resolution (H.J.Res. 112) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H.J.Res. 113) directing the President of the United States to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. DOUGLASS: Concurrent resolution (H.Con.Res. 7) directing the President to use his good offices with the Government of Germany to obtain humane treatment for racial and political minorities in Germany; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H.R. 4022) for the relief of Matthew Grady; to the Committee on Military Affairs.

By Mr. BEEDY: A bill (H.R. 4023) for the relief of John G. Edwards; to the Committee on Claims.

By Mr. BEITER: A bill (H.R. 4024) for the relief of General S. Thompson; to the Committee on Military Affairs.

Also, a bill (H.R. 4025) granting a pension to Bernhard Anna, Jr.; to the Committee on Pensions.

By Mr. COLDEN: A bill (H.R. 4026) for the relief of Carrie Gannon; to the Committee on Claims.

Also, a bill (H.R. 4027) for the relief of John B. Parsons; to the Committee on Military Affairs.

By Mr. CONDON: A bill (H.R. 4028) to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.; to the Committee on War Claims.

By Mr. DIES: A bill (H.R. 4029) granting a pension to Frank Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4030) for the relief of Walter M. Rowlett; to the Committee on Military Affairs.

Also, a bill (H.R. 4031) granting a pension to George Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4032) for the relief of William R. Paydon; to the Committee on Naval Affairs.

Also, a bill (H.R. 4033) for the relief of William Sterling; to the Committee on Military Affairs.

By Mr. DITTER: A bill (H.R. 4034) for the relief of James Mullen; to the Committee on Military Affairs.

By Mr. DOUGHTON: A bill (H.R. 4035) for the relief of Walter Thomas Foreman; to the Committee on Claims.

By Mr. DUNCAN of Missouri: A bill (H.R. 4036) granting a pension to Jane Salmons; to the Committee on Invalid Pensions.

By Mr. KEE: A bill (H.R. 4037) granting a pension to John D. Pearson; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H.R. 4038) for the relief of George Johnson; to the Committee on Military Affairs.

By Mr. MARTIN of Oregon: A bill (H.R. 4039) for the relief of Emma V. Crawford; to the Committee on Pensions.

Also, a bill (H.R. 4040) for the relief of William J. C. Schuldt; to the Committee on Naval Affairs.

By Mr. McLEAN: A bill (H.R. 4041) for the relief of Alfred Jacob Kettner; to the Committee on Naval Affairs.

By Mr. McCORMACK: A bill (H.R. 4042) granting a pension to Theresa G. Noonan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4043) for the relief of George C. Cummings; to the Committee on Military Affairs.

Also, a bill (H.R. 4044) for the relief of Mrs. A. H. Lawson; to the Committee on Claims.

Also, a bill (H.R. 4045) for the relief of Lawrence Rooney; to the Committee on Naval Affairs.

Also, a bill (H.R. 4046) for the relief of Charles McCarren; to the Committee on Naval Affairs.

Also, a bill (H.R. 4047) granting a pension to Emeline M. Salstrom; to the Committee on Pensions.

Also, a bill (H.R. 4048) for the relief of Charles F. Hult; to the Committee on Naval Affairs.

Also, a bill (H.R. 4049) for the relief of Walter E. Patten; to the Committee on Military Affairs.

Also, a bill (H.R. 4050) for the relief of Charles Eben Stewart; to the Committee on Naval Affairs.

Also, a bill (H.R. 4051) for the relief of Albert Edward Vincent; to the Committee on Naval Affairs.

Also, a bill (H.R. 4052) for the relief of John Neilson; to the Committee on Naval Affairs.

Also, a bill (H.R. 4053) for the relief of John E. Ziniti; to the Committee on Naval Affairs.

Also, a bill (H.R. 4054) for the relief of Edward F. Shea; to the Committee on Naval Affairs.

Also, a bill (H.R. 4055) for the relief of William F. Curley; to the Committee on Military Affairs.

Also, a bill (H.R. 4056) for the relief of Emma F. Taber; to the Committee on Claims.

Also, a bill (H.R. 4057) for the relief of George Luftman; to the Committee on Military Affairs.

Also, a bill (H.R. 4058) for the relief of John William Ford; to the Committee on Naval Affairs.

Also, a bill (H.R. 4059) for the relief of James Philip Coyle; to the Committee on Naval Affairs.

Also, a bill (H.R. 4060) for the relief of Ellen Grant; to the Committee on Claims.

Also, a bill (H.R. 4061) for the relief of William Fisher; to the Committee on Naval Affairs.

Also, a bill (H.R. 4062) for the relief of William Walter Shyne; to the Committee on Naval Affairs.

Also, a bill (H.R. 4063) for the relief of Alice O'Brien; to the Committee on Claims.

Also, a bill (H.R. 4064) for the relief of William F. Curley; to the Committee on Military Affairs.

Also, a bill (H.R. 4065) for the relief of William Martin; to the Committee on Naval Affairs.

Also, a bill (H.R. 4066) for the relief of James Conley; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H.R. 4067) for the relief of the mayor and aldermen of Jersey City, Hudson County, N.J., a municipal corporation; to the Committee on Claims.

By Mr. OWEN: A bill (H.R. 4068) for the relief of Andrew Emmett Pope; to the Committee on Naval Affairs.

By Mr. RANKIN: A bill (H.R. 4069) granting the Distinguished Service Cross to Richard M. Boyd; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H.R. 4070) granting a pension to Bertha Howard Woodward; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H.R. 4071) granting an increase of pension to Eliza C. Dunlap; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H.R. 4072) authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, retired, to chief boilermaker, retired; to the Committee on Naval Affairs.

Also, a bill (H.R. 4073) for the relief of Margaret Sloane; to the Committee on Claims.

Also, a bill (H.R. 4074) for the relief of Evangelos Karacostas; to the Committee on Claims.

Also, a bill (H.R. 4075) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Mary A. McCourt; to the Committee on Claims.

Also, a bill (H.R. 4076) for the relief of Stephen J. Crotty; to the Committee on Military Affairs.

Also, a bill (H.R. 4077) for the relief of Gosta Maurice Fagerstrom; to the Committee on Naval Affairs.

Also, a bill (H.R. 4078) for the relief of William H. Ames; to the Committee on Claims.

Also, a bill (H.R. 4079) to place William H. Clinton on the retired list of the Navy; to the Committee on Naval Affairs.

Also, a bill (H.R. 4080) for the relief of Mucia Alger; to the Committee on Foreign Affairs.

Also, a bill (H.R. 4081) for the relief of Edward S. Ryan; to the Committee on Military Affairs.

Also, a bill (H.R. 4082) for the relief of John J. Corcoran; to the Committee on Claims.

Also, a bill (H.R. 4083) for the relief of George Russell Thorson; to the Committee on Naval Affairs.

Also, a bill (H.R. 4084) for the relief of Thomas J. Harrington; to the Committee on Naval Affairs.

By Mr. THOM: A bill (H.R. 4085) granting a pension to Tom Teeters; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4086) granting an increase of pension to Ella Faloon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4087) granting a pension to William Barkman; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4088) granting an increase of pension to Rachel Ann Barr; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4089) granting a pension to Anna G. Van Horn; to the Committee on Pensions.

Also, a bill (H.R. 4090) granting a pension to Ammon Barkman; to the Committee on Invalid Pensions.

By Mr. THOMASON of Texas: A bill (H.R. 4091) for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.; to the Committee on Claims.

By Mr. WELCH: A bill (H.R. 4092) granting a pension to William F. Buckley; to the Committee on Pensions.

Also, a bill (H.R. 4093) for the relief of Patrick J. Sullivan; to the Committee on Military Affairs.

Also, a bill (H.R. 4094) granting a pension to Wilhelm Kerstan; to the Committee on Pensions.

By Mr. WILCOX: A bill (H.R. 4095) granting a pension to Alta Manypenny; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4096) granting a pension to Bessie Hall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4097) granting a pension to Susan Bragg Mitchell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

143. By Mr. ANDREW of Massachusetts: Petition adopted by Massachusetts House of Representatives, urging enactment of legislation regulating the hours of labor and wages of persons employed in manufacturing and industrial establishments; to the Committee on Labor.

144. By Mr. CHASE: Resolution adopted by the House of Representatives of the State of Minnesota and submitted by the speaker and chief clerk, memorializing Congress to issue the money and establish the value thereof; to the Committee on Banking and Currency.

145. By Mr. CULKIN: Resolution of Kirkland Grange, No. 684, urging the support of House bill 2825, entitled "A bill declaring the policy of the United States as against further reclamation and irrigation"; to the Committee on Irrigation and Reclamation.

146. Also, resolution of Madison County Pomona Grange, of Chittenango, N.Y., under date of March 8, 1933, urging the revaluation of the gold dollar that commodity prices may be stabilized; to the Committee on Banking and Currency.

147. By Mr. CARTER of Wyoming: Resolution of Voiture 1039, Quarante Hommes et Huit Chevaux, Rock Springs, Wyo.; to the Committee on Banking and Currency.

148. By Mr. CULKIN: Petition of Woman's Christian Temperance Union of LaFargeville, N.Y., protesting against the return of beer and the repeal of the eighteenth amendment; to the Committee on the Judiciary.

149. Also, petition of Woman's Home Missionary Society of LaFargeville, Jefferson County, N.Y., protesting against the return of beer and the repeal of the eighteenth amendment; to the Committee on the Judiciary.

150. By Mr. CUMMINGS: Memorial of the House of Representatives of the State of Colorado, memorializing Congress concerning social-economic planning in regard to emergency-relief measures; to the Committee on Ways and Means.

151. Also, memorial of the House of Representatives of the State of Colorado, memorializing Congress regarding grazing fees on national-forest reserves; to the Committee on Agriculture.

152. By Mr. FITZGIBBONS: Petition of citizens of Onondaga County, N.Y., requesting that measures be adopted that will relieve the mass of the people; to the Committee on Ways and Means.

153. By Mr. HASTINGS: Petition of the Oklahoma Legislature, memorializing the Congress of the United States to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs on the dry Cimarron River within the State of Oklahoma and State of New Mexico; to the Committee on Flood Control.

154. Also, petition of the Oklahoma Legislature, memorializing the Congress of the United States that it is the sense of the members of the Oklahoma Legislature that the Government of the United States should perform its solemn promise and place American agriculture on the basis of equality with other industries by providing an adequate system of credit and that adequate legislation to that end should be adopted at the earliest possible date; to the Committee on Agriculture.

155. Also, petition of the Oklahoma Legislature, memorializing the Congress of the United States to enact a law authorizing and empowering the several States to levy and collect license, franchise, gross revenue, registration, or other forms of taxes upon or measured by capital represented by property and business employed in interstate commerce; to the Committee on Ways and Means.

156. By Mr. JOHNSON of Texas: Telegram of Hill County Cotton Oil Co., Citizens National Bank, Colonial Trust Co., Hillsboro Cotton Mills, and Smith & Tomlinson Co., of Hillsboro, Tex., opposing passage of the President's farm-relief bill; to the Committee on Agriculture.

157. Also, telegram of Farmers Nonpartisan Protective League, Karens, Tex., favoring the President's farm-relief bill; to the Committee on Agriculture.

158. By Mr. KLEBERG: Telegrams of J. R. McDougal, Walter Tips, H. H. Steves, Alf B. Schroetter, Herman Jostes, W. W. Boyce, R. A. Hall, J. E. Montgomery, Edwin E. Kinkler, William Meyer, and Ernest Kinkler, all of the State of Texas, urging passage of the President's farm relief bill; to the Committee on Agriculture.

159. By Mr. LEWIS of Colorado: Memorial of the House of Representatives of the Twenty-ninth General Assembly of the State of Colorado, urging enactment of legislation providing for the following principles in emergency-relief measures: direct governmental management of construction work; establishment of minimum income to workers on construction projects; shorter work hours and week days; standardization by the Government of wages, etc., involved in manufacture, sale, and distribution of materials used in construction projects; that the executive department be given full power to put these principles into effect; to the Committee on Labor.

160. Also, memorial of the General Assembly of the State of Colorado, urging the passage of the Frazier bill or similar legislation looking to the refinancing of existing farm indebtedness; to the Committee on Ways and Means.

161. Also, resolution of the board of councilmen and the mayor of the city and county of Denver, Colo., urging the passage of a law providing for the free and unlimited coinage of silver on a correct ratio with gold; to the Committee on Coinage, Weights, and Measures.

162. By Mr. McCORMACK: Memorial of the House of Representatives of the Commonwealth of Massachusetts, memorializing Congress to regulate the hours and wages of persons employed in manufacturing and industrial establishments; to the Committee on Labor.

163. By Mr. MILLARD: Resolution adopted by the Scarsdale Post, No. 52, of the American Legion, indorsing support of President's program; to the Committee on Economy.

164. By Mr. RICHARDSON: Petition of 140 qualified citizens of the borough of Bally, Berks County, Pa., urging consideration of the revaluation of the gold ounce for the purpose of bringing more money into circulation for business and for the betterment of the working class of people; to the Committee on Banking and Currency.

SENATE

THURSDAY, MARCH 23, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar day of Wednesday, March 22.

The VICE PRESIDENT. Is there objection? The Chair hears none.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Reynolds
Ashurst	Costigan	King	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Sheppard
Bankhead	Dill	Loneragan	Shipstead
Barbour	Duffy	McAdoo	Smith
Barkley	Erickson	McCarran	Steiwer
Black	Fess	McGill	Stephens
Bone	Fletcher	McKellar	Thomas, Okla.
Borah	Frazier	McNary	Thomas, Utah
Bratton	George	Metcalf	Trammell
Brown	Glass	Murphy	Tydings
Bulkley	Goldsborough	Neely	Vandenberg
Byrd	Gore	Norbeck	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walcott
Caraway	Hatfield	Overton	Walsh
Carey	Hayden	Patterson	Wheeler
Clark	Hebert	Pittman	White
Connally	Johnson	Pope	
Coolidge	Kendrick	Reed	

Mr. BLACK. I desire to announce that the junior Senator from South Dakota [Mr. BULOW] is still detained from the Senate by a slight illness.

Mr. REED. I wish to announce the continued absence of my colleague the junior Senator from Pennsylvania [Mr. DAVIS] on account of illness. I will let this announcement stand for the day.

Mr. HEBERT. I desire to announce the necessary absence of the following-named Senators: Mr. DALE, Mr. HASTINGS, Mr. KEAN, Mr. CUTTING, Mr. SCHALL, and Mr. TOWNSEND.

Mr. OVERTON. I desire to announce that my colleague [Mr. LONG] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-six Senators having answered to their names, a quorum is present. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting sundry nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, in which it requested the concurrence of the Senate.

The message also announced that Representatives Randolph Perkins and U. S. Guyer were appointed in lieu of